



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENTS

George Brown College Waterfront Campus Expansion

Date: November 23, 2016
To: Executive Committee
From: Deputy City Manager, Cluster B
Wards: 28

REASON FOR CONFIDENTIAL INFORMATION

This report involves the security of property belonging to the City of Toronto or one of its agencies, boards and commissions.

SUMMARY

This report concerns the sale of a 0.57 acre City-owned property in the East Bayfront to George Brown College (GBC) for the development of an academic building focused on technology and innovation. The property, identified as Block 3 in "Dockside" on Map 1, is located on the south side of Queens Quay, between Lower Jarvis Street and Lower Sherbourne Street, immediately north of an existing GBC academic building. The development will also include a non-profit child care centre, partially funded through Waterfront Toronto (WT), and owned and operated by GBC. GBC has committed to starting the planning process for the new building immediately following the sale of the property, with the goal of being under construction in the next two to four years.

Staff have reported on this property twice: in 2009, to grant GBC a five-year ground lease Option on the site; and, in November 2015, to obtain Council approval to consider a fee simple conveyance offer in addition to a ground lease offer. GBC has communicated its clear preference for a fee simple conveyance. WT, the City's revitalization lead in the East Bayfront, has completed a comprehensive evaluation of GBC's two offers and is recommending the City accept the fee simple conveyance offer.

In this report, staff provide the results of their review of WT's recommendation, and seek authorization to enter into an Agreement of Purchase and Sale (APS) with the City as vendor and GBC as purchaser, subject to the major terms summarized in Attachment 1. As part of the sale, various use and ownership controls are proposed to ensure the property remains used for institutional/academic purposes with a focus on technology and innovation, and owned by GBC.

Staff also seek authority to enter into a companion agreement, an Undertaking Agreement (UA) between WT and the City. The UA addresses WT's direct obligations to the City, including oversight of the GBC development and parameters for the delivery of the child care centre, among other matters. The proposed major terms of the UA are summarized in Attachment 2.

In addition to the APS and UA, the transaction includes a Development Agreement (DA) between WT and GBC. The major terms of the DA are summarized in Attachment 3. Although the City is not a party to this agreement, many of the City's waterfront revitalization objectives are secured through this agreement.

In accordance with the governance structure for WT, first approved by Council in 2004, the proceeds of the sale will flow to WT for reinvestment in waterfront revitalization. This is explained in greater detail in the last section of the report, and is consistent with previous Council decisions on land transactions in the East Bayfront, including the existing GBC site (Blocks 4 and 5, Dockside – 2009), the Parkside/Great Gulf site (2009) and the Bayside/Hines site (2010).

In summary, staff are supporting WT's recommendation that Block 3 be sold to GBC. As a public institution, GBC serves the public interest and satisfies the City's objective of retaining public ownership of non-residential waterfront sites. The existing GBC health sciences building has greatly contributed to the early success of the East Bayfront, and there is every expectation that an expanded GBC campus will further reinforce revitalization objectives for this precinct. In particular, the proposed emphasis on technology and innovation aligns very well with WT's efforts to create an innovation-focused employment corridor in the eastern waterfront. Accordingly, staff are recommending the sale of the Dockside Block 3 site to GBC.

RECOMMENDATIONS

The Deputy City Manager, Cluster B recommends that:

1. City Council grant authority for the City as Vendor to enter into an Agreement of Purchase and Sale (APS) with The George Brown College of Applied Arts and Technology (GBC) as Purchaser for the City-owned lands being "Dockside" Block 3, Plan 66M- 2476, indicated as Block 3 on Map 1 (the "Property"), together with the restrictive covenant and ancillary agreements contemplated under the APS (collectively the "Sale Transaction Agreements"), substantially on the terms and conditions set out in Attachment 1, together with such other terms and conditions as may be deemed appropriate by the Deputy City Manager, Cluster B in consultation with the Chief Corporate Officer and in a form satisfactory to the City Solicitor, subject to Recommendation (3) of this Report.

2. City Council grant authority for the City to enter into an agreement with Waterfront Toronto substantially on the terms and conditions set out in Attachment 2 (the "Undertaking Agreement"), together with such other terms and conditions as may be deemed appropriate by the Deputy City Manager, Cluster B in consultation with the Chief Corporate Officer and in a form satisfactory to the City Solicitor.
3. City Council direct that prior to the City entering into the Sale Transaction Agreements, the following matters be completed or provided for to the satisfaction of the Deputy City Manager, Cluster B in consultation with the City Solicitor and other City officials as appropriate:
 - a. Toronto Waterfront Revitalization Corporation (WT) and GBC having entered into the Development Agreement (DA) in respect of the Property;
 - b. WT shall have entered into the Undertaking Agreement (UA) with the City; and
 - c. Receipt by the City of a legal opinion in respect of corporate status and powers, authority of GBC to enter into and perform the Sale Transaction Agreements and the Development Agreement, together with the execution, delivery, validity and enforceability of such agreements against GBC, in form and content satisfactory to the City Solicitor.
4. City Council grant authority to direct GBC to pay to WT the deposit, balance of the purchase price and all other amounts payable to the City under the APS.
5. City Council direct that any amounts that are to be repaid by GBC for failing to maintain the child care centre in accordance with Attachment 3 Development Agreement, shall be paid to the City and deposited into a child care capital reserve fund account for use in the Designated Waterfront Area (DWA).
6. City Council direct the Director, Waterfront Secretariat to recognize the purchase price under the Agreement of Purchase and Sale (APS) as part of the City's overall contribution to waterfront renewal, and be reported by Waterfront Toronto in its quarterly funding reports submitted to the three orders of government as part of the Waterfront Renewal Accounting Protocol.
7. City Council authorize the Deputy City Manager, Cluster B in consultation with the Chief Corporate Officer, to negotiate the Sale Transaction Agreements and Undertaking Agreement, including any amendments in relation to such agreements not materially inconsistent with the major terms and conditions described in Attachments 1 and 2 attached to the report dated November 23, 2016 from Deputy City Manager, Cluster B, as approved by Council, and in a form satisfactory to the City Solicitor.
8. City Council grant authority for the Chief Corporate Officer (CCO), her successor/designate, in consultation with the Waterfront Secretariat Director, to provide any consents, approvals, waivers, and notices under the Sale Transaction Agreements and Undertaking Agreement, in a form acceptable to the City Solicitor, provided that the

CCO may, at any time, refer consideration of such matters (including their content) to City Council for its determination and direction, and provided that:

a. the CCO may consent to a transfer or charge of the Property under the s.118 Land Titles Act Restriction (as described in Attachment 1) if the transfer is to another academic institution acceptable to the CCO or the charge is a bona fide charge to a chartered bank, trust company or recognized institutional lender, and in all cases, the transferee or chargee (during its period of possession of the Property), agrees to comply with the Development Agreement (DA), the s.119 Land Titles Act Restrictive Covenant (as described in Attachment 1), consents to the continuation of the said s.118 Restriction on title to the Property for the term of the s.119 Restrictive Covenant, and complies with such other terms and conditions as the CCO may deem appropriate;

b. the CCO shall not consent to the release or discharge of the s.118 Restriction or s.119 Restrictive Covenant prior to the expiry of the term of the Restrictive Covenant;

c. the CCO may consent to amendments or modifications of the s.118 Restriction and the s.119 Restrictive Covenant that have been approved by the Deputy City Manager, Cluster B in accordance with Recommendation 7.

9. City Council direct that subject to Recommendation 10 of the report dated November 23, 2016 from Deputy City Manager, Cluster B, and with the written consent of WT, the City consent to GBC acting as the City's agent as owner of Property to sign any planning or development applications and agreements in furtherance of the development and construction of the Property provided the Agreement of Purchase and Sale has been executed and all requirements and obligations of GBC 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, Cluster B, and in a form satisfactory to the City Solicitor.

10. City Council direct that all actions described in the report dated November 23, 2016 from the Deputy City Manager, Cluster B 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 Council direct that the City consent to Waterfront Toronto acting as the City's agent as owner of the Property 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 Property, except for any environmental applications or agreements, or alternatively that the City itself execute such documentation solely in its capacity as land owner, provided Waterfront Toronto agrees to assume all obligations including costs and

liabilities under such documentation and subject to such other terms satisfactory to the Deputy City Manager, Cluster B, and in a form satisfactory to the City Solicitor.

12. City Council authorize severally the Chief Corporate Officer and the Deputy City Manager, Cluster B to execute and deliver the Sale Transaction Agreements and Undertaking Agreement and all such documentation described in Recommendations 9 and 11 attached to the report dated November 23, 2016 from Deputy City Manager, Cluster B, on behalf of the City.

13. City Council authorize the public release of the confidential information in Confidential Attachment 4 attached to the report dated November 23, 2016 from the Deputy City Manager, Cluster B, upon the completion of the development of the publicly owned lands in East Bayfront as determined by the Deputy City Manager, Cluster B.

14. City Council direct that the confidential information contained in Confidential Attachment 5 remain confidential in its entirety as it relates to the security of property belonging to the City.

15. City Council authorize the City Solicitor to complete any of the transactions contemplated under the Sale Transaction Agreements on behalf of the City, except to the extent such obligations have been directed by the Chief Corporate Officer to Waterfront Toronto to undertake, including amending closing dates and other dates, and amending and waiving terms and conditions, on such terms that the City Solicitor deems advisable.

16. City Council authorize and direct the appropriate City officials 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 for 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 by Waterfront Toronto in the revitalization of the waterfront.

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

DECISION HISTORY

On November 30, December 1 and 2, 2004, Council approved a report titled "Governance Structure for Toronto Waterfront Revitalization". Among other directions, Council authorized the transfer of control of City waterfront lands to WT on a precinct by precinct basis following the completion of detailed business and implementation plans for individual precincts; further, Council directed that all land sales revenues be reinvested in waterfront revitalization.

<http://www.toronto.ca/legdocs/2004/agendas/council/cc041130/pof9rpt/agendain.pdf>
(Clause 1)

On January 31 and February 1 and 2, 2006, Council approved a report titled "Toronto Waterfront Revitalization: Memorandum of Understanding (MOU) among the City of Toronto, City of Toronto Economic Development Corporation (TEDCO) and Toronto Waterfront Revitalization Corporation (WT)". The staff report and MOU among the City, TEDCO (now Toronto Port Lands Company or TPLC) and WT addressed waterfront revitalization roles and responsibilities, and established the conditions for the transfer of control of City waterfront lands to WT. It also reinforced that "all revenues from the lease or sale of public lands be reinvested in waterfront renewal". The MOU established that further details would be provided in precinct-specific business and implementation plans, as well as through reporting on specific leasing and land sale transactions.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060131/pof1rpt/cl027.pdf>

On July 25, 26 and 27, 2006, Council approved a report titled "Toronto Waterfront Revitalization Initiative – East Bayfront Business and Implementation Plan". As per the 2004 governance report and the 2006 MOU, in order for WT to receive effective control of City lands in the East Bayfront, WT was required to submit a business and implementation plan for Council approval. The East Bayfront Business and Implementation Plan was far reaching and included employment and revitalization goals, as well as goals related to hard and soft infrastructure. A financial model underpinned the business strategy and looked at both revenues and expenditures. Revenue sources included direct government funding and revenues from residential land sales and commercial leasing. The Council approval granted WT the authority to "lead the marketing and development" of the East Bayfront public lands. The plan highlighted the importance of non-residential uses in the East Bayfront, and the need to pursue strategic employers such as the post-secondary education sector.

<http://www.toronto.ca/legdocs/2006/agendas/council/cc060725/pof6rpt/agendain.pdf>
(Clause 9)

On July 16, 17 18 and 19, 2007, Council approved a report titled "Streamlining Waterfront Revitalization in East Bayfront". The report authorized the transfer of lands owned by TEDCO in East Bayfront, excluding the Corus Entertainment site, to the City of Toronto. Block 3 was part of the transfer.

<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-12-11-cc15-dd.pdf>
(Page 53)

At its December 1, 2, and 3, 2008 meeting, Council approved a report titled "Staff Due Diligence Review of the Proposed George Brown College Campus – East Bayfront", authorizing City staff to enter into a long-term ground lease with GBC for all of Blocks 3, 4 and 5. Block 3 was for an academic building; Block 4 was for a portion of an underground parking garage under a public road; Block 5 was for a student residence. <http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-12-01-cc27-dd.pdf> (Page 10)

At its October 26 and 27, 2009 meeting, Council approved a report titled "Revised Ground Lease - George Brown College Waterfront Campus – East Bayfront" authorizing changes to the proposed uses for the site. Block 5 became the site of the existing academic building while Block 3 became the proposed site of the student residence. Blocks 4 and 5 were conveyed under a long-term ground lease. GBC was given an Option for a long-term ground lease on Block 3. <http://www.toronto.ca/legdocs/mmis/2009/cc/minutes/2009-10-26-cc41-mn.htm> (Page 20-22)

At its meeting of July 7, 2015 City Council adopted a report from the Deputy City Manager, Cluster B titled "Waterfront Strategic Review", with recommendations to support, in principle, the undertaking of a second phase of waterfront revitalization supported by tri-government funding and governance. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX7.6>

At its December 9 and 10, 2015 meeting, Council approved a report titled "George Brown College Waterfront Campus – Block 3 (Dockside) Academic Building – East Bayfront" authorizing Block 3 to be used as a GBC academic building and child care facility. Council also directed the Deputy City Manager, Cluster B to report back with a recommendation on terms for either a long-term ground lease or fee simple conveyance. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX10.8>

In accordance with the City's Real Estate Disposal By-law, 814-2007, Block 3 was declared surplus on October 2, 2008 (DAF2008-180), with the intended manner of disposal to be by way of a long-term lease with GBC. By approval of DAF2016-248 on November 15, 2016, the intended manner of disposal was amended to be by way of a long-term lease or fee simple sale to GBC.

COMMENTS

Issue Background

GBC opened its existing health sciences academic building on Blocks 4 and 5 in 2012. GBC's tenure was secured through a ground lease of 103 years (a four-year design and construction period followed by a 99-year term). Capital construction of the building, estimated at \$175 million, was largely funded through government grants and programs

including \$61.5 million of provincial funding and \$30 million of federal Knowledge Infrastructure Program funding.

On Block 3, Council granted GBC a five-year ground lease Option to accommodate a student residence. The Option period ran from December 31, 2010 to December 31, 2015. During this time, GBC explored funding for a student residence building; however, during the latter part of the Option period, the College turned its attention to a more pressing demand for additional academic space.

As there are few existing government funding programs to support the proposed campus expansion, GBC has decided to proceed with capital expansion on Block 3 using its own resources. The College's preference is for a fee simple conveyance. In view of GBC's position, in December 2015, staff sought and received Council authority to consider two disposition options: long-term ground lease and fee simple conveyance. Council also approved a change in use for Block 3 from a student residence to an academic building.

The Site and Context

The subject site, identified as Block 3 on Map 1, is situated in the East Bayfront, an important waterfront precinct under the "effective control" of WT. Map 1 also shows land ownership in the East Bayfront.

Originally, public lands in East Bayfront were owned by TEDCO (now TPLC). In 2008, these lands, with the exception of the Corus Entertainment site, were transferred to the City of Toronto for waterfront revitalization purposes. Since 2008: GBC has built and opened its Health Sciences building; the Great Gulf Homes mixed-use project is under construction; and the first two "Bayside" mixed-use developments (including an 80-unit affordable housing project) are also under construction. WT has built Sugar Beach Park and Sherbourne Common Park, as well as a significant length of the water's edge promenade along with roads and services; Aitken Place Park is also in the final stages of detailed design.

Two additional projects on City-owned lands are pending. The first involves the subject site ("Dockside" Block 3). The second is the Menkes "Waterfront Innovation Centre" project, planned for "Dockside" Blocks 1 and 2, and the subject of a future staff report, anticipated for Q1 of 2017.

In addition to the City-owned lands in the East Bayfront, WT owns lands in the north-east quadrant known as "Quayside". The north-west quadrant of the precinct contains privately owned properties. Daniels is currently marketing a mixed-use project on its property.

George Brown College Proposal

The subject site is 0.57 acres and is situated immediately north of the existing GBC academic building. GBC would like to purchase these lands for the development of a second academic building with a gross floor area of approximately 175,000 square feet. The building will be focused on technology and innovation, and related programs. These uses are consistent with the innovation and employment focus of the East Bayfront.

The development will include a non-profit child care centre (one of two planned for the precinct), owned and operated by GBC, and partially funded by WT. GBC operates numerous child care centres in Toronto and will use the child care centre as a training facility for its Early Childhood Education Program.

Evaluation of GBC Lease and Sale Proposals

The concept of retaining City ownership of non-residential waterfront land was first introduced in the 2004 governance report to Council and later repeated in the 2006 City/TEDCO/WT MOU, as outlined in the Decision History. The direction was that non-residential waterfront sites be developed by way of long-term ground lease "where market conditions permit" and that residential projects be developed on the basis of freehold conveyances. Commercial sites with long-term ground leases in the East Bayfront include the existing GBC building, and two future commercial sites in "Bayside". Corus Entertainment, a non-residential project, was managed differently because it involved the sale of a TEDCO-owned and developed building – not vacant land – and it was in the City's interest to sell the asset at the time. The remainder of the developments in the East Bayfront are residential. These properties have or will be sold outright, in keeping with Council's direction.

GBC has had to evaluate the acquisition of the Block 3 site, and a campus expansion, on the basis that it will need to finance the entirety of the project, estimated at \$100 million. GBC advises that the College is subject to increasing provincial government scrutiny over contingent liabilities such as periodic rent increases, typically associated with long-term ground leases. While uncertainty regarding rent increases at renewal periods could be dealt with through an upfront lump sum payment at the beginning of the ground lease term, GBC has provided a substantially discounted ground lease offer given the challenges it foresees.

GBC operates under a provincial ministry financial management policy, which includes a set of financial health metrics with associated benchmark requirements. One of the requirements is for colleges to achieve an annual operating surplus of revenue over expenses – the benchmark is a surplus of at least 1.5 per cent of revenues. If land is purchased, it has no impact on this metric and the College's ability to achieve the benchmark. If land is leased, then the annual lease cost (or annual amortization of a capitalized lease cost) is an added annual operating expense that makes it more difficult for the institution to achieve the required benchmark. This factor is one reason a land purchase is more favourable to GBC than a lease.

Given the policy context for waterfront land disposition and GBC's financial imperatives outlined above, WT has provided the following rationale to support an outright purchase by GBC rather than a long-term ground lease:

1. GBC is an institutional use not a private-sector or commercial one. The College is governed by provincial legislation and, as such, a governance structure exists to ensure the College's activities will continue to serve the public interest. Therefore, a fee simple sale to GBC is consistent with the objective of maintaining public lands in public ownership. Furthermore, considering GBC is a public/institutional user, a fee simple transfer to GBC does not set precedent for commercial development on lands to be developed by the private sector;
2. Current conditions for GBC include constraints on government funding for construction, and a more restrictive process for obtaining permission to enter into ground leases and other transactions associated with contingent liabilities. Therefore, the context is different from that of the original Council-approved transaction, and consideration of alternatives to a ground lease is appropriate.

Proposed Transaction

This proposed transaction involves the transfer of a fee simple interest in Block 3 on an "as is where is" basis. The structure of the deal includes: an Agreement of Purchase and Sale (APS) between the City as vendor and GBC as purchaser; a Development Agreement (DA) between WT as effective lead and GBC as Development Partner; and an Undertaking Agreement (UA) between WT and the City to ensure WT meets its obligations to the City in respect of the proposed development. Due to ongoing negotiations by WT with other proponents for other properties in East Bayfront, WT has requested that certain financial details of the transaction remain confidential.

Some of the obligations which are of particular interest to the City, together with City staff commentary, are highlighted below.

Use and Ownership Restrictions:

Under the DA, GBC and WT agree that the faculties to be located in the waterfront campus contribute to the development of a broader innovation employment district along the waterfront. In particular, GBC will agree to dedicate the majority of the building to technology and innovation programs, including those related to the College's Faculties of Design & Information Technology, Health Sciences, Arts and Construction & Engineering Technologies.

As further protection, WT proposes that GBC enter into a Restrictive Covenant Agreement (RCA) with the City under s.119 of the Land Titles Act to permit use of the property as an academic institution and to prohibit residential uses, as well as land uses that are prohibited under the ground lease of the adjacent GBC campus site on Blocks 4 and 5. The proposed term of the RCA will expire on September 30, 2111, consistent with the expiry date of the ground lease on the adjacent GBC site. The proposal also

includes a s.118 Land Titles Act Restriction (Restriction) under which GBC will agree that the property will not be transferred or charged without the consent of the City. Further information concerning the Restrictive Covenant Agreement and the Restriction are contained in Confidential Attachment 5.

Child Care Facility:

GBC will own and operate a minimum 9,500 square feet non-profit child care centre located in the ground and second floor of the building. This space will be sufficient to accommodate a minimum of 72 children. A minimum of 3,200 sq. ft. of outdoor play area is also required. All indoor and outdoor play space must meet applicable licensing requirements. WT will contribute a maximum \$3.62 million (plus interest on a portion of these funds) towards this facility. An amortization schedule is included in the DA (see Attachment 3) which requires GBC to pay back funds should the facility not be maintained for a child care centre during the next 49 years. Should funds be required to be paid back by GBC, the funds will go back to a City child care capital reserve fund for funding a future facility in the Designated Waterfront Area (DWA).

Buy Back Provision:

The transaction provides for a buy back of the property by WT should GBC not meet its obligations. GBC is agreeing to apply for Site Plan approval within two years of closing and start construction within four years of closing. Under the UA, WT agrees to consult with the Waterfront Secretariat prior to exercising the option and will direct that title be in the name of the City or as City Council may direct. The price associated with the buy back is contained in Confidential Attachment 4.

Respective Roles Regarding Environmental Remediation:

Until Block 3 is conveyed to GBC, WT has primary oversight of the lands. Following the conveyance, GBC is responsible for environmental remediation and associated obligations. However, WT will continue to complete the environmental work required to obtain a RSC (Record of Site Condition) and will retain an oversight and monitoring role of GBC's performance to ensure GBC is fulfilling its obligations. WT will also have direct obligations to the City more particularly set out in the UA.

Reinvestment of Land Sales Revenues by WT

As detailed in the Decision History, the release of East Bayfront land sale proceeds and commercial lease revenues to WT for reinvestment in the waterfront dates back to the 2004 City staff report "Governance Structure for Toronto Waterfront Revitalization". This initial direction was confirmed through Council's 2006 approval of "Toronto Waterfront Revitalization: Memorandum of Understanding (MOU) among the City of Toronto, City of Toronto Economic Development Corporation and Toronto Waterfront Revitalization Corporation". The direction was confirmed again through Council's 2006 approval of the East Bayfront Business and Implementation Plan, as well as a number

of site specific approvals: George Brown College (Blocks 4 and 5) in 2009; Parkside/Great Gulf in 2009; and Bayside/Hines in 2010.

Apart from this transaction, there is one further transaction/development that is associated with the East Bayfront Business and Implementation Plan. This is for Dockside Blocks 1 and 2, the site of the proposed "Waterfront Innovation Centre" and the subject of negotiations among WT, Menkes and the City.

Future waterfront precincts, including the Port Lands, will require their own detailed business and implementation plans. Such plans, which will include due diligence on funding sources/options, will be shaped by ongoing discussions with the provincial and federal governments regarding tri-government funding for Port Lands Flood Protection and other Waterfront 2.0 projects.

At its meeting of July 7, 2015, City Council adopted a report from the Deputy City Manager Cluster B titled "Waterfront Strategic Review" with specific recommendations relating to a second phase of waterfront revitalization. Council supported in principle the undertaking of a second phase of waterfront revitalization supported by tri-government funding and governance; and affirmed WT as the preferred delivery entity assuming a scenario of tri-government funding. These principles will shape current and future Council deliberations on waterfront funding.

Most recently, an October 21, 2016 staff report on Port Lands Flood Protection identified that revenues from the sale of land owned by TPLC and the City in the Port Lands could be a significant source for funding the City's share of the flood protection and enabling infrastructure project. The City will want to consider a variety of different funding sources and combinations thereof for future precinct-specific business and implementation plans. Staff will report on this by end of Q2 of 2017 as part of its response to the following Executive Committee and Council direction:

7. City Council direct the Deputy City Manager and Chief Financial Officer to report to Executive Committee on the merits of directing the proceeds arising from the sale of City-owned land in the Port Lands to be first applied to offset flood protection costs and then towards other necessary infrastructure improvements, and directing that any pledge of City-owned land be contingent on further matching funds from the Provincial and Federal governments.

CONCLUSION

The proposed transaction represents the culmination of years of working with WT and GBC to expand the GBC waterfront campus in the East Bayfront. The timelines included in the transaction are intended to move the project forward in an expedited fashion culminating in the start of construction within four years of closing at the latest.

This report has been prepared by the Waterfront Secretariat, with input from Real Estate Services, Children's Services, ECS (Environmental Unit), Corporate Finance, Financial Planning and Waterfront Toronto, and in consultation with Legal Services.

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SIGNATURE

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ATTACHMENTS

Map 1 - East Bayfront Land Ownership
Attachment 1 - Major Terms: Agreement of Purchase and Sale, George Brown College
Attachment 2 - Major Terms: Undertaking Agreement, George Brown College
Attachment 3 - Major Terms: Development Agreement, George Brown College
Attachment 4 - Confidential Information
Attachment 5 - Confidential Information