



STAFF REPORT TA8.8
ACTION REQUIRED
Confidential Attachment

Date:	April 14, 2016
To:	Board of Directors
From:	Julia Langer, CEO
Re:	M5V Tower Inc. / Toronto Standard Condominium Corporation No. 2206 Green Condo Loan Terms
Reason for Confidential Information:	This report involves the security of property belonging to the City or one of its agencies, boards, and commissions

SUMMARY

TAF provided a Green Condo Loan to TAS Design/Build to finance energy efficiency measures in the M5V Tower during its construction which would make the building at least 25 percent more efficient than the Ontario Building Code. Loan payments are up to date and energy savings and GHG reductions are above projections. This report addresses a request from the M5V condominium corporation regarding the terms of the loan.

RECOMMENDATIONS

It is recommended that the TAF Board of Directors:

1. Approve the recommendations in Confidential Attachment 1.
2. Direct that Confidential Attachment 1 remain confidential as it involves the security of property belonging to the City or one of its agencies, boards, and commissions."

BACKGROUND

M5V is a 304 suite condominium located at 375 Kind Street West, designed and built by TAS DesignBuild, which was awarded the Green Builder of the Year by the Toronto Home Builders (BILD). On March 1, 2012 TAF provided a \$635,000 Green Condo Loan to TAS for the incremental cost of installing key energy efficiency measures that would make the building at least 25% more efficient than Ontario Building Code requirements. The loan, which was transferred to the Condominium Corporation as per the loan terms, has been paid without incident. The actual energy reductions and GHG emission reductions have exceed projections of 500 tonnes per annum.

The Green Condo Loan is a unique financing instrument, developed by TAF and is designed to allow a condominium developer to recoup investment in above-code energy efficiency measures in a marketplace where individual condominium suite buyers are unwilling to pay a

premium over conventionally constructed buildings. This overcomes the capital cost and operating cost dilemma. For instance, high-performance thermal envelope, mechanical systems, lighting and other measures provide long-term value, but yet the condo developer is generally only concerned about first-cost because they don't pay the operating costs. The Green Loan allows the Developer to invest for the long-term and build more efficient buildings at incrementally higher cost but without an incurring and incrementally higher price point because and the ultimate owners, who benefit from lower operating costs, repay the loan from their relative savings. The Green Condo Loan has been a key tool in driving down energy use and GHG emissions in the condo sector because it demonstrated the viability of significantly higher efficiencies in this fast-growing market.

DECISION HISTORY

The \$635,000 Green Condo Loan to TAS Design/Build was originally approved by the Board of Directors on December 9, 2009. The loan was executed on March 1, 2012.

CONTACT

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