PA10.2 Appendix A

BOARD MEMORANDUM

IN-CAMERA

5.1

TO:	Lorne Persiko	FILE NO:	1250-00
FROM:	Marie Casista / Greg Blyskosz	DATE:	January 12, 2017
SUBJECT:	**ACQUISITION OF NEW PUBLIC PARKING GARAGE 11 WELLESLEY STREET WEST, TORONTO WARD 27 Toronto Centre - Rosedale**		

MEETING	MINUTE
January 19/2017	17-012
Approved.	GJ

MEETING DATE: **Thursday, January 19, 2017**

RECOMMENDATION:

It is recommended that the Board of Directors of the Toronto Parking Authority ("TPA"):

1. **Approve the final terms and conditions related to a transaction negotiated between the TPA ("Purchaser") and Lanterra Developments (Bay Wellesley) Limited ("Lanterra", "Developer" or the "Vendor") involving the acquisition of a stratified interest with respect to a 132-space (approximately, but not less than 128-spaces) underground public parking garage forming part of a mixed-use development municipally located at 11 Wellesley Street West for a total consideration of not more than $6.60 million as described under the terms and conditions as outlined in the body of this report and detailed within Appendix 'B';**
2. **Approve the expenditure of an additional $350,000 for parking equipment and associated costs such as land transfer tax, environmental studies and other transaction related ancillary items; and**
3. **Approve all necessary documentation including but not limited to a Reciprocal Cost Sharing Agreement related to the Purchase and Sale Agreement along with all necessary transfers and undertakings.**

Purpose:

The purpose of this report is to obtain TPA Board authorization to approve the final terms and conditions involving a transaction between the Toronto Parking Authority and Lanterra Developments (Bay Wellesley) Limited. The transaction involves the acquisition of a stratified interest with respect to a future public parking facility containing 132 spaces (approximately, but not less than 128-spaces) to be built to TPA specifications within a proposed mixed-use condominium project located at 11 Wellesley Street West (the "Property") (see attached *Site Location Map*). The TPA Board is being asked to approve all necessary matters as they relate to the terms and conditions of this transaction including additional costs as identified within the body of this report.

Background and Decision History:

In 2012, Infrastructure Ontario and the Ministry of Finance deemed 11 Wellesley Street West as surplus land and ordered the sale of the land. Infrastructure Ontario retained CB Richard Ellis (CBRE)

(CBRE) to market the property on their behalf. Lanterra Developments was the successful proponent in acquiring the property from Infrastructure Ontario.

At its meeting of September 25, 2013 (*TPA Board Minute No.: 13-134*), the TPA Board of Directors recommended that staff proceed with negotiating a Purchase and Sale Agreement with Lanterra as well as retaining Fogler, Rubinoff LLP as TPA's legal counsel (refer to attached *Appendix 'A' – Board Memorandum dated September 25, 2013*).

At its meeting of August 25, 26, 27, and 28, 2014, Council adopted Item TE34.31 in which adopted a final report related to zoning amendment application for 5 to 25 Wellesley Street West and 14 to 26 Breadalbane Street.
(*http://www.toronto.ca/legdocs/mmis/2014/te/bgrd/backgroundfile-72127.pdf*)

The TPA has successfully negotiated the terms and conditions related to the pending acquisition and on November 17, 2015, the PSA was fully executed by both the TPA and Lanterra. The agreement contains conditions in favour of both parties which the parties are working to satisfy, one of which is obtaining approval of the subject transaction by City Council or by any delegated authority.

At its upcoming meeting of January 31, 2017, a report will be before City Council seeking approval of the final PSA terms and conditions.

Funding Implications and Impact Statement:

Funds have been identified in TPA's 2017-2026 Capital Budget for this proposed acquisition opportunity. Although the TPA has identified a total of $6.50 million under Project 204 – 11 Wellesley (Captor Number TPA908123) cash flowed in 2018, additional funding of approximately $450,000 for parking equipment, closing and related expenses, will either be advanced forward from a future project or transferred from a deferred project prior to the closing of the transaction which is expected to occur no later than November 17, 2022.

Comments:

Purchase and Sale Agreement (PSA)

Summarized at Appendix 'B' are the major terms and conditions of the PSA between the TPA and the Vendor.

Development Proposal

The Developer is currently working to satisfy site plan approval requirements. The Vendor is expecting to receive a Notice of Approval Conditions (NOAC) for the Project by June, 30 2017. Construction of the Project began in July 2015 with the public parking garage scheduled to open in April 2020.

Financial Analysis

There are no changes to the financial assumptions as reported previously in Board Memorandum dated September 18, 2013 (refer to *Appendix 'A'*). The transaction contemplates the acquisition of a stratified interest with respect to a below-grade public parking facility to be built to TPA 2014 specifications containing approximately 132 spaces, but having no less than 128 spaces.

Due Diligence

The TPA has discussed the proposed acquisition with the local area Councillor for Ward 27, Kristyn Wong-Tam who is supportive of the transaction. The Councillor has requested that the staff report seeking City authorization of the final terms and conditions of the transaction proceed through City Council. The Councillor feels that this transaction showcases how well City and TPA staff have negotiated with a private sector developer to secure a community park as well as a public parking garage serving the parking needs of the neighbourhood as well as ensuring a long term revenue stream back to the City.

The TPA will retain the services of an independent accredited appraisal firm to confirm that the purchase price to be paid for the Property of $50,000 per space, or a total of $6.60 million for a 132-space below grade municipal parking garage, is reasonable and reflective of fair market value.

Summary

The acquisition provides a number of benefits to the City and the TPA, namely:

- The consideration to be paid by the TPA for the 132 space public parking garage which is not to exceed $50,000 per space (plus HST) appears to be a fair market rate;
- This deal will ensure a long term income stream of approximately $550,000 annually from a 132 space public parking garage and will allow the TPA the ability to continue to serve the parking needs of the area;
- TPA's benchmark criteria used to assess the merits of this transaction have been achieved;
- Provides the opportunity to re-balance the proposed replacement of public parking spaces identified as part of TPA's redevelopment strategy for CP 5 (15 Wellesley Street East); and
- The anticipated level of residential condominium intensification within the area including the planned retail uses within the Project will help to increase the economic results from the proposed public parking garage at the Project.

<u>Conclusions:</u>

It is recommended that the Board of Directors of the Toronto Parking Authority ("TPA"):

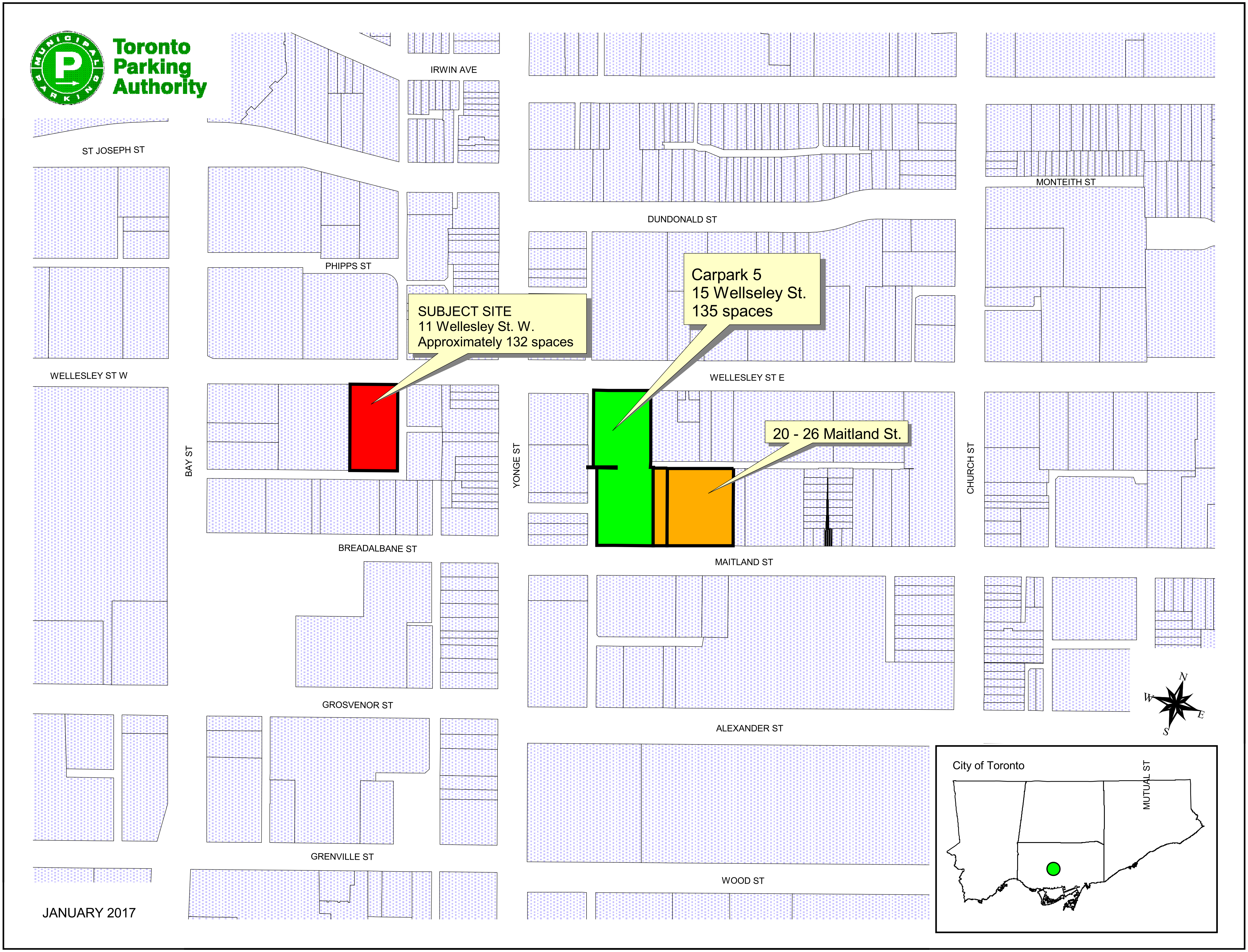
1. Approve the final terms and conditions related to a transaction negotiated between the TPA ("Purchaser") and Lanterra Developments (Bay Wellesley) Limited ("Lanterra", "Developer" or the "Vendor") involving the acquisition of a stratified interest with respect to a 132-space (approximately, but not less than 128-spaces) underground public parking garage forming part of a mixed-use development municipally located at 11 Wellesley Street West for a total consideration of not more than $6.60 million as described under the terms and conditions as outlined in the body of this report and detailed within Appendix 'B';
2. Approve the expenditure of an additional $350,000 for parking equipment and associated costs such as land transfer tax, environmental studies and other transaction related ancillary items; and
3. Approve all necessary documentation including but not limited to a Reciprocal Cost Sharing Agreement related to the Purchase and Sale Agreement along with all necessary transfers and undertakings.

<u>List of Attachments</u>:

Site Location Map

Appendix 'A' Board Memorandum dated September 18, 2013
(*Acquisition Opportunity – Lanterra Developments*)

Appendix 'B' Major Terms and Conditions of the Purchase and Sale Agreement



Toronto
Parking
Authority
MUNICIPAL PARKING
IRWIN AVE
ST JOSEPH ST
MONTEITH ST
DUNDONALD ST
PHIPPS ST
SUBJECT SITE
11 Wellesley St. W.
Approximately 132 spaces
Carpark 5
15 Wellesley St.
135 spaces
WELLESLEY ST W
WELLESLEY ST E
20 - 26 Maitland St.
BAY ST
YONGE ST
CHURCH ST
BREADALBANE ST
MAITLAND ST
GROSVENOR ST
ALEXANDER ST
GRENVILLE ST
WOOD ST
City of Toronto
MUTUAL ST
N
E
S
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JANUARY 2017

APPENDIX 'A'

Board Memorandum dated September 18, 2013

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BOARD MEMORANDUM

IN-CAMERA

5.11

TO:	Lorne Persiko	FILE NO:	1250-00
FROM:	Marie Casista / Greg Blyskosz	DATE:	September 18, 2013
SUBJECT:	**ACQUISITION OPPORTUNITY – LANTERRA DEVELOPMENTS** **11 Wellesley Street West** **WARD 27 Toronto Centre - Rosedale**		

MEETING	MINUTE
September 25/13	13-134
Approved.	GF

MEETING DATE: **Wednesday, September 25, 2013**

RECOMMENDATION:

It is recommended that the Board of Directors of the Toronto Parking Authority ("TPA") authorize staff to:

1. **Negotiate a Purchase and Sale Agreement ("PSA") with Lanterra Developments (the "Developer") under the terms and conditions as outlined in the body of this report; and**
2. **Retain Fogler, Rubinoff LLP as TPA's Legal Counsel at a cost estimated to be $40,000 related to the negotiation of the PSA and associated agreements related to the PSA.**

Purpose:

The purpose of this report is to obtain TPA Board approval to negotiate a Purchase and Sale Agreement ("PSA") with a developer, Lanterra Developments (the "Developer"), regarding the development of a public parking facility containing approximately 138 spaces to be built to TPA specifications within a proposed condominium project located at 11 Wellesley Street West (the "Property") (see attached *Site Location Map*). The TPA Board is being asked to authorize staff to negotiate a PSA with the Developer as well as retain Legal Counsel in order to assist in the negotiation and completion of the subject transaction.

Funding Implications and Impact Statement:

Funds have been provided for in the 2013 Capital Budget for this proposed acquisition opportunity. The TPA has identified $10,000,000 under Project 203 – Redevelopment of CP 5 (Captor Number TPA907703). The property purchase will be funded through TPA revenues. The operating and maintenance costs associated with this facility will not affect the 2013 Operating Budget. It should be noted that subject to further discussions with the Developer, they acknowledge that they are prepared to cause the future condominium corporation(s) to provide no less than $50,000 plus HST per annum (inflated at CPI, Toronto) payable in advance to the TPA to fund garage operating expenses.

Background:

The lands located at 11 Wellesley Street West were originally to be donated in the late 1980's by the provincial government to construct a new ballet and opera house. Construction was supposed to begin in 1991 however, in 1992, funding by the three levels of government was withdrawn. The site sat for the past 20 years with a brief appearance as a temporary skateboard park.

In 2012, Infrastructure Ontario and the Ministry of Finance deemed 11 Wellesley Street West as surplus land and ordered the sale of the land. Infrastructure Ontario retained CB Richard Ellis (CBRE) to market the property on their behalf. No listing price was indicated for the property and Offers to Purchase were to be submitted by August 15, 2012. Lanterra Developments was eventually the successful proponent in acquiring the property from Infrastructure Ontario.

The Developer has been working with various interest groups including holding discussions with the local area Councillor Kristyn Wong-Tam to try and incorporate as part of a redevelopment of the site, several key elements including a public open space component and the provision of public parking. As a result of those discussions, the Developer approached the TPA to purchase the public parking garage component within the Project provided that the facility meets TPA's design and specification requirements. The terms and conditions of the proposed transaction are outlined in the body of this report.

Comments:

Site Location and Particulars

The Property, located a short distance west of Yonge Street, extends the length of an entire City block and is bounded by Wellesley Street to the north and Breadalbane Street to the south (refer to attached *Site Location Map*). The site benefits from being located in a prominent position in the City's downtown core residential node within close proximity to the Yonge - Wellesley TTC subway station. The downtown core area has proven to be one of the most dynamic and active condominium nodes in the City with some of the most aggressive and iconic condominium development projects including U Condominiums, Aura at College Park and Five currently being completed.

Lanterra Development Proposal

The Property is comprised of a site area of approximately 94,000 square feet. The Developer is proposing to construct a 54 storey mixed-use residential condominium development complete with commercial / retail uses as well as a 1.6 acre open space park (see attached *Schedule "A" – Property Rendering*). The Project will have a multi-level below grade parking garage which will include a 138-spce public parking component. At this time, the Developer is working with private and City planners to create a project concept that is satisfactory for all stakeholders.

Parking Supply and Demand Analysis

The development of a public parking facility at the Property will help satisfy the existing parking demand and support future demand within the area especially given the intensity of redevelopment occurring within the immediate vicinity. This opportunity will also permit the TPA to potentially reduce its 250 space parking garage requirement as part of the redevelopment of CP 5 (15 Wellesley Street East) thus effectively create two public parking facilities within the Yonge / Wellesley neighbourhood. As the area continues to intensify which will include the proposed Project, the demand for parking will continue to grow.

Purchase and Sale Agreement (PSA) – Terms and Conditions

Summarized under Schedule 'B' are the basic business terms and conditions to be incorporated as part of the PSA between the TPA / City (as "Purchaser") and Lanterra Developments ("Lanterra").

Corporate Profile –Lanterra Developments ("Lanterra")

Formed in 1999, Lanterra Developments ("Lanterra") was founded by Mr. Mark Mandelbaum and Mr. Barry Fenton who joined forces to develop innovative, one-of-a-kind downtown condominium properties (*www.lanterradevelopments.com*). Since inception, Lanterra has introduced a number of new condominium developments throughout the City.

Summarized under Schedule 'C' are details of many of the groups' more notable local projects.

Financial Analysis

TPA staff undertook a financial analysis to determine the returns that would be realized with the new municipal parking facility. Although revenue for the 138 below-grade parking spaces is estimated to generate between $4,000 and $5,000 per space annually, we have taken a conservative approach in our analysis and assumed $4,200 per space annually.

The following table summarizes the financials for the proposed new public parking garage:

Net Revenue (excluding HST)	$579,600 *(avg. $4,200 per space)*
Estimated Operating Expenses	($303,600)
Capital Reserve (2% of Capital Cost)	($138,000)
Condo Corp. Contribution	$50,000*
Net Profit	**$188,000**

Note: The Developer has agreed to cause the Condominium Corporation(s) (when established) to contribute a minimum of $50,000 per annum plus HST (adjusted annually based on the Consumer Price Index (CPI) for the City of Toronto), payable in advance on a monthly basis towards the operating expenses of the public parking garage. This contribution is designed to cover ongoing maintenance costs of common areas of the public parking garage (i.e. ramps, drive isles, hydro, lighting, fans, painting, cleaning, etc.) which benefit the condominium owners.*

With a total purchase price consideration of $6.9 million expected to be paid by the TPA for the public parking garage, the resulting Internal Rate of Return (IRR) based on a projected 20-year cash flow is 5.23% (which includes the capital reserve), thus achieving TPA's benchmark criteria used to assess the merits of this transaction.

The TPA understands that the Developer has had ongoing discussions with the local area Councillor for Ward 27 Councillor Kristyn Wong-Tam who is completely informed regarding this development opportunity.

Benefits of the Lanterra Developments Proposal

The proposal provides a number of financial benefits that add value for the TPA, and therefore of benefit to the City and the TPA, namely:

- The consideration to be paid by the TPA for the 138 space public parking garage is not to exceed $50,000 per space (plus HST) and appears to be a fair market rate;
- This deal will ensure a long term income stream of approximately $580,000 annually from the 138 space public parking garage and will allow the TPA the ability to continue to serve the parking needs of the area;
- TPA's benchmark criteria used to assess the merits of this transaction have been achieved;
- Provides the opportunity to re-balance the proposed replacement of public parking spaces identified as part of TPA's redevelopment strategy for CP 5 (15 Wellesley Street East); and
- The anticipated level of residential condominium intensification within the area including the planned retail uses within the Project will likely help to increase the economic results from the proposed public parking garage at the Project.

TPA Consultants and Peer Reviews

Prior to as well as during the due diligence process, TPA staff will engage in discussions with numerous consultants and City staff to verify the validity of the development offering with the Developer. This process will help determine the best plan and strategy in terms of benefit to the City and the TPA. Some of these consultants and individuals will include:

- Traffic, Structural, Mechanical Consultants / Engineers – Various groups may be engaged / retained as required to verify details as they pertain to the Project and the public parking garage in particular;
- Value Consultant – An accredited real estate appraiser will be retained to provide a financial evaluation of the proposal in order to confirm that the proposal from the Developer is considered reasonable with respect to current market value parameters; and
- Legal Counsel – Fogler, Rubinoff LLP is chosen (as per TPA staff's #2 Recommendation contained herein) as TPA's Legal Counsel at a cost estimated to be $40,000 related to the negotiation of the PSA and all associated agreements related to this transaction. The firm has worked with the TPA on several joint venture development projects including CP49 (30 Roehampton Avenue), CP15 (50 Cumberland St), CP178 (650 Mt. Pleasant Road and Chateau Royal) and CP12 (30 Alvin Avenue and Wittington Group).

Next Steps

Following negotiations with the Developer, the TPA intends to present the final terms and conditions of the proposed transaction to the Board for approval once the Developer has waived their conditions to the deal. Once the TPA Board approves, the transaction remains subject to approval by the City.

Conclusions:

It is recommended that the Board of Directors of the Toronto Parking Authority ("TPA") authorize staff to:

1. Negotiate a Purchase and Sale Agreement ("PSA") with Lanterra Developments (the "Developer") under the terms and conditions as outlined in the body of this report; and
2. Retain Fogler, Rubinoff LLP as TPA's Legal Counsel at a cost estimated to be $40,000 related to the negotiation of the PSA and associated agreements related to the PSA.

List of Attachments:

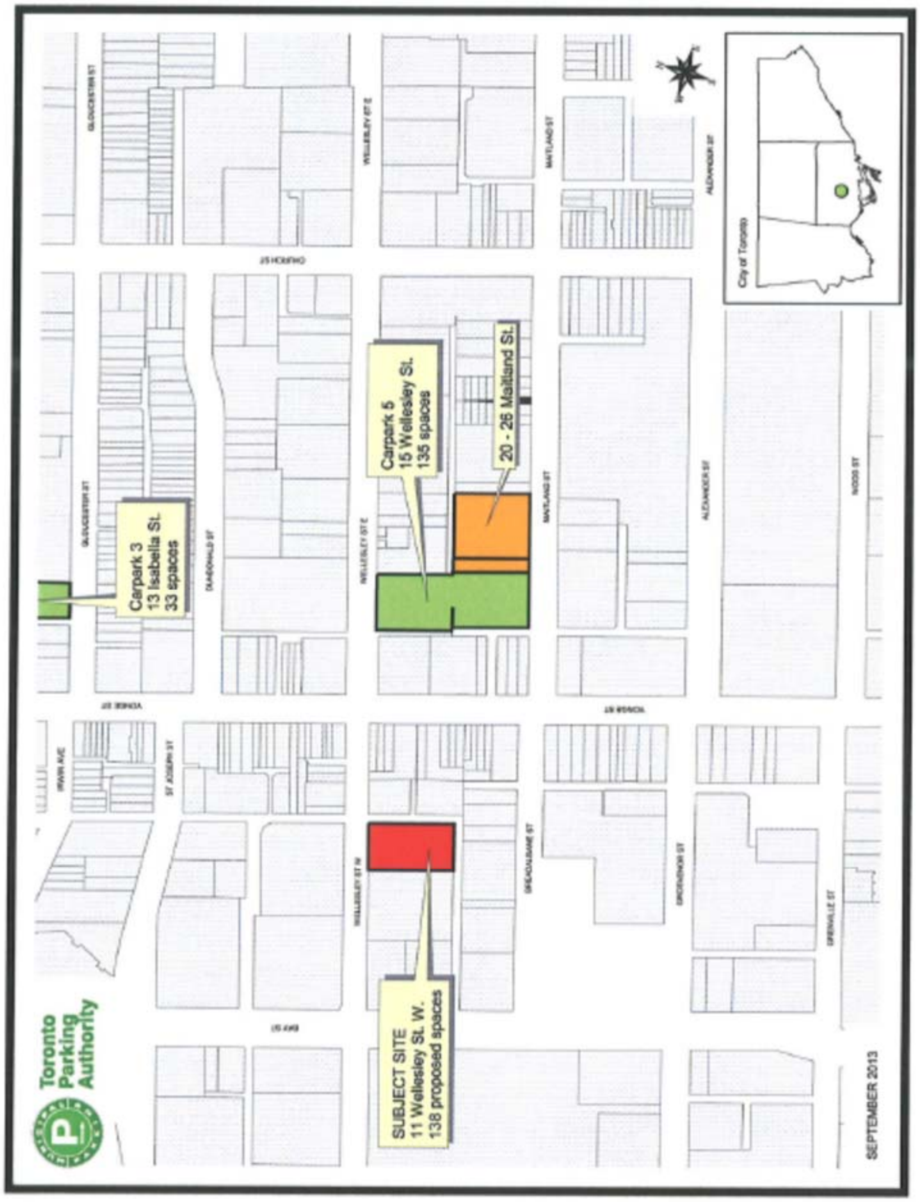
Site Location Map

Schedule 'A' – Property Rendering

Schedule 'B' – Summary of Terms and Conditions of Purchase and Sale Agreement

Schedule 'C' – Summary of Projects – Lanterra Developments

Site Location Map



Schedule "A"

Property Rendering



Schedule 'B'

Summary of Terms and Conditions of Purchase and Sale Agreement

Summarized below are the basic business terms and conditions to be incorporated as part of the PSA between the TPA / City (as "Purchaser") and Lanterra Developments (as "Vendor" or "Lanterra"):

1. Purchase Terms - The Vendor will construct a Parking Garage with approximately 138 public parking spaces (the "Spaces") at a cost to the TPA calculated at a rate of $50,000 per space plus HST (amounting to $6,900,000 plus HST);

2. Purchase Agreement – Upon TPA obtaining approval of the PSA by the TPA Board of Directors, TPA will instruct counsel to prepare an agreement of purchase and sale that, wherever practical, is consistent with the provisions of a TPA standard form agreement with its terms to be settled within thirty (30) days;

3. Conditions – The Purchase Agreement will be conditional for a period of one hundred and twenty (120) days following execution upon TPA obtaining approval of the Purchase Agreement by the TPA Board of Directors and the Council of the City of Toronto. The Purchase Agreement will also be made conditional upon TPA having reviewed and approved Lanterra's preliminary design drawings for the below-grade parking garage for the Project which includes the Public Parking Garage and upon the TPA and the City satisfying themselves, in their sole, absolute and unfettered discretion, with the results of any tests or inspections of the Property including results of any environmental investigations and enquiries relating to the Project;

4. Project – Lanterra is proposing to construct a 54 storey mixed-use residential condominium development complete with commercial / retail uses as well as a 1.6 acre open space park. The Project will have a multi-level below grade parking garage which will include a 138-spce public parking component. At this time, the Developer is working with private and City planners to create a project concept that is satisfactory for all stakeholders;

5. Public Parking Garage – Lanterra will construct and convey to the City, a parking structure consisting of a minimum of 138 spaces in the Parking Garage which is to be constructed at Lanterra's sole cost and expense in strict accordance with the TPA Outline Specifications on the Property. The Public Parking Garage will be located in the first parking level below-grade. The balance of the Parking Garage will form part of the condominium which is to be registered as part of the Project. The preliminary plans for the Public Parking Garage contemplate one two-way shared ramp for the Public Parking Garage and the Condominium Parking Garage. The Public Parking Garage will not form part of the condominium corporation and will have a separate fee simple strata title;

6. Consideration – The consideration to be paid by the TPA for the Public Parking Garage is to be calculated based on $50,000 per parking space or $6,900,000;

7. Closing - Following substantial completion of the Parking Garage, subject to City permission and surveys being ready, Lanterra will deliver possession of the Public Parking Garage and convey title to the below grade strata of the Property within which the Public Parking Garage is located. On Closing, the TPA will pay Lanterra the full amount of the Consideration / Purchase Price. The turnover of the Public Parking Garage will be completed in accordance with the TPA standard protocol for the turnover of a public parking garage;

8. Construction and Operation Matters – Lanterra will construct the Public Parking Garage for the TPA and the City at their sole cost and expense using their own financing. Lanterra will commence construction of the Project within forty-eight (48) months of execution of the Purchase Agreement and will substantially complete construction of the Public Parking Garage not later than thirty-six (36) months following construction commencement, failing which the TPA shall have the right to terminate the Purchase Agreement. The Purchase Agreement will require that the design, construction, signage and other matters pertaining to the Parking Garage strictly

comply with the TPA Parking Specifications. The Purchase Agreement will obligate Lanterra to enter into a construction procedures agreement with the TPA on Closing which agreement sets out the guidelines and procedures for construction of the Public Parking Garage and the Condominium Parking Garage;

9. Operating Agreement – The Purchase Agreement shall provide that on completion of construction, the TPA and Lanterra will enter into a reciprocal operating agreement which will provide for easements for pedestrian and motor vehicle access and egress, support, maintenance and repair, and sharing of costs and expenses in respect of any shared facilities. The reciprocal operating agreement will provide that the Public Parking Garage will be operational so long as the Project is in existence and will provide for insurance and insurance trust provisions, as appropriate and as required;

10. Confidentiality – Lanterra and the TPA are to maintain strict confidentiality in respect of all documentation and information delivered or made available to either of the parties pursuant to the provisions hereof until such time as the Purchase Agreement is entered into. Notwithstanding the foregoing Lanterra acknowledges that the TPA shall be permitted, where necessary, to disclose the terms and conditions herein contained to TPA and City advisors, consultants, employees and counsel and, where required, in connection with any administrative or municipal proceedings;

11. Discretion - Nothing in the PSA derogates from, interferes with, or fetters the exercise by the City of its discretion or approval rights as a municipality or imposes any obligations on the City in its role as a municipality and the City shall not be prevented from or prejudiced in carrying out its statutory rights and responsibilities, including any planning approvals, in considering any aspect of the application(s) relating to the proposed Project, including, without limitation, any zoning approvals; and

12. Commission – Lanterra and the TPA confirms to the other that it has not utilized a real estate broker in respect of the transactions or the Project proposed herein.

Schedule 'C'

Summary of Projects – Lanterra Developments

The following are a list of projects by Lanterra that are currently in the pre / construction or occupancy phase of development:

- The Britt Residences (955 Bay Street) – Construction commenced in the fall of 2013 on a 41 storey, 649 suite condominium which was formerly the Sutton Hotel located at Bay Street and Wellesley
- 3018 Yonge Street – A boutique 12 storey mid-rise residential condominium with 179 suites currently under construction located within the Lawrence Park neighbourhood
- Treviso Condominiums (830 Lawrence Avenue West) – A 1.32 million square foot development comprised of a 25 storey residential condominium with 1,500 units, 60,000 square feet of retail, commercial space as well as a 10 acre park. The project, located at the north-east corner of Dufferin and Lawrence Avenue, is scheduled for Phase I occupancy in 2014
- Riverhouse at the Old Mill (30 Old Mill Road) – An 11 storey residential condominium development with 101 suites that is scheduled for occupancy 2013
- ICE Condominiums 12 & 14 Yorks Street) – The residential component of York Centre consists of two towers of 67 and 57 storeys respectively with a total of 1,343 suites as well as a 31 storey office tower with occupancy scheduled for 2014
- Burano (832 Bay Street) – A 50 storey tower with 486 suites with a 2012 occupancy date

Additional lead projects that Lanterra has constructed have included:

- Neptune & Neptune 2 (209 & 215 Fort York Boulevard) – Completed in 2011, the project comprised the third and fouth phases of the WaterParkCity community with a 38 and 16 storey residential condominium with a total of 860 suites
- One Bedford at Bloor (1 Bedford Road) – Completed in 2011, the project comprised a 32 storey development with 254 suites located on the north-east corner of Bloor and Bedford, immediately north of the ROM at the entrance to the Annex residential neighbourhood
- The Residences of Maple Leaf Square (55 & 65 Bremner Boulevard) – Completed in 2010, a 2 tower residential development (44 and 40 storeys) built atop a 9 storey commercial podium which features the 170 room Le Germaine Hotel, 200,000 square feet of office space and over 100,000 square feet of retail. Maple Leaf Square won the 2006 Community of the Year award from the Greater Toronto Homebuilder's Association
- Murano (37 Grosvenor Street – 38 Grenville Street) – Completed in 2009, a two tower complex with 35 and 45 stories offering a total of 731 suites and located on the east side of Bay Street between Grenville and Grosvenor
- Toy Factory Lofts – Completed in 2008, the 7 storey project involved the conversion from the original historic Irwin Toy factory to an urban mixed-use live-work complex containing 215 originally designed live-work lofts with over 20,000 square feet of commercial space. In 2005, the Toy Factory won the coveted Project of the Year award from the Greater Toronto Homebuilders' Association and won in total an unprecedented 7 awards
- 22 Condominiums (22 Wellesley Street East) – Completed in 2008, a boutique 23 storey, 158 unit residential condominium located immediately adjacent to the Yonge/Wellesley subway station
- 18 Yonge Condominiums (18 Yonge Street) – Completed in 2007, the project consisted of a

39 storey 493 unit residential tower at the foot of Yonge Street at its intersection with Lakeshore Drive. The project is immediately to the east of Air Canada Centre and is graced with a uniquely designed art sculpture by internationally renowned artist, Tom Otterness

- WaterParkCity (219 & 231 Fort York Boulevard) – Completed in 2007, the WaterParkCity community comprises 2,000 residential condominium suites which first established the western edge of the historic Fort York District. The first phase included a 38-storey 1,070 unit tower facing Coronation Park and Lake Ontario connected by a 7-storey podium to the 28-storey Phase 2 tower, Atlantis

APPENDIX ‘B’

Major Terms and Conditions of the Purchase and Sale Agreement

1. Vendor	Lanterra Developments (Bay Wellesley) Limited
2. Purchaser	Toronto Parking Authority (title to be registered in the name of the City of Toronto)
3. Site Location	11 Wellesley Street West, Toronto
4. Project	A 54 storey mixed-use residential condominium development complete with commercial / retail uses as well as a 1.6 acre open space park. The Project will have a multi-level below grade parking garage which will include a Public Parking Garage component.
5. Purchased Interest	The Vendor will construct and convey to the Purchaser a parking structure (Public Parking Garage) in the Project’s Parking Garage which is to be constructed at the Vendor’s sole cost and expense in strict accordance with the TPA 2014 Outline Specifications. The Public Parking Garage will be located in the first parking level below-grade. The balance of the Parking Garage will form part of the condominium which is to be registered as part of the Project. The preliminary plans for the Public Parking Garage contemplate one two-way shared ramp for the Public Parking Garage and the Condominium Parking Garage. The Public Parking Garage will not form part of the condominium corporation and will have a separate fee simple strata title.
6. Public Parking Garage	One (1) underground level located at the Site Location containing approximately 132 spaces but no less than 128 spaces on the first level together with the ramps, elevators, stairs, lobbies and corridors for pedestrian and vehicular access and egress thereto and other facilities associated therewith.
7. Consideration	$6.60 Million Canadian Dollars, calculated at a cost of $50,000.00 per parking space in the Public Parking Garage and payable in full on Closing plus closing costs and land transfer taxes. In the event the Public Parking Garage contains more than 132 spaces, the Purchaser will have the option to purchase the additional spaces at a cost of $50,000.00 for each additional parking space.
8. Purchaser's Conditions	The obligation of the Purchaser to complete the purchase transaction is subject to the Purchaser being satisfied with and/or obtaining the following: **Due Diligence Review** Satisfactory due diligence review, including the preliminary design drawings for the below-grade garage for the project which includes the Public Parking Garage; results of any tests or inspections of the property including results of any environmental investigations and enquiries related to the Project; and the Purchaser and Purchaser’s solicitors satisfying themselves with all matters retaining to title to the Property.

	Approvals The transaction is subject to TPA Board and City Council approval.
9. Vendor's Conditions	The obligation of the Vendor to complete the sale transaction is subject to the Vendor obtaining all necessary municipal approvals required for the Project, including without limitation, any and all zoning and site plan approvals. The Vendor acknowledged having obtained the Rezoning and that the Vendor’s Condition has been satisfied.
10. Due Diligence Date and Council Approval Date	March 31, 2017.
11. Closing Date	Closing of this transaction shall take place contemporaneously with the Public Parking Garage Turnover, being a date not later than eighty-four (84) months from the Date of the Agreement. Following substantial completion of the Public Parking Garage, the Vendor will deliver possession of the Public Parking Garage and convey title to that portion of the below grade strata of the Property within which the Public Parking Garage is located. On Closing, the Purchaser will pay the Vendor the full amount of the Purchase Price. The turnover of the Public Parking Garage will be completed in accordance with TPA’s standard protocol for the turnover of a public parking garage. Closing is anticipated to be no later than November 17, 2022.
12. Construction Commencement Date	The Construction Commencement Date is defined as a date which is not later than forty-eight (48) months from the Date of the Agreement or no later than November 17, 2019.
13. Timeframe for Commencement and Substantial Completion of Construction	The Vendor agrees to Substantially Complete the Parking Garage within thirty-six (36) months following the Commencement of Construction, failing which the Purchaser shall have the right to terminate the Purchase Agreement.
14. TPA Specifications	The PSA requires that the design, construction, signage and other matters pertaining to the Public Parking Garage comply with the TPA 2014 Outline Specifications.
15. Reciprocal Agreement	On or before the Closing, the PSA requires that the Purchaser and the Vendor enter a reciprocal cost-sharing and easement agreement which will provide for easements for pedestrian and motor vehicle access and egress, support, maintenance and repair, and sharing of costs and expenses in respect of any shared facilities. The reciprocal operating agreement will provide that as part of the cost sharing arrangement, the Vendor and its successors in title will partially subsidize the Purchaser’s annual operating costs by paying the Purchaser the sum of $50,000.00 per annum plus HST (annually adjusted by the Consumer Price Index (Toronto) from the date of closing).
16. Restrictive Covenant	In connection with the Public Parking Garage, the Vendor acknowledges and agrees that no parking spaces within the balance of the Parking Garage or elsewhere upon the Property or within the project save for the Public Parking Garage, shall be used as a commercial parking lot having parking spaces available on a daily fee basis, monthly or long-term basis, nor shall such parking spaces be operated by a third-party commercial

	parking lot operator without the prior written consent of the Purchaser which may be unreasonably withheld, in its sole and absolute discretion.
17. Discretion	The Vendor agrees that the City of Toronto shall be under no obligation by virtue of any provision of the Agreement to grant approvals, or consents, including approvals or consents relating to the City of Toronto's Official Plan, zoning by-laws, site plan control, minor variances and building permits necessary for any contemplated use by the Vendor. The Vendor further agrees that nothing contained in the Agreement 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 or by any delegated authority in any way.