

City-building Opportunities at 105 Spadina Avenue and 363 Adelaide Street West

Date: November 19, 2020

To: General Government and Licensing Committee

From: Deputy City Manager, Corporate Services, and Acting President, Toronto
Parking Authority

Wards: Spadina-Fort York and University-Rosedale

REASON FOR CONFIDENTIAL INFORMATION

This report deals with a proposed or pending acquisition or disposition of land by the City of Toronto (the "City").

SUMMARY

The purpose of this report is to obtain City Council's approval of the proposed terms of a property transaction involving two City-owned properties at 105 Spadina Avenue and 363 Adelaide Street West, and the privately owned property at 101 Spadina Avenue, owned by DevGreat Inc. The city-building benefits of this transaction are to create a new public park of 1,000 square meters (10,764 square feet), to significantly increase onsite below-grade public parking and to generate additional funds to be used for affordable housing.

As currently proposed, the transaction contemplates the partial land exchange and partial disposition of the City-owned surface parking lots at 105 Spadina Avenue and 363 Adelaide Street West to DevGreat Inc., the owner of the adjacent property at 101 Spadina Avenue.

Following the proposed land exchange and disposition, DevGreat Inc. will own the lands (the "Development Lands") for the development of a mixed-use high-rise development with public and private parking below-grade under both the proposed development site and the new public park (the "Proposed Development"). In respect of the retained strata public park in City ownership, the transaction requires DevGreat Inc. to construct a minimum 1,000 square meter park to base park condition with above grade improvements satisfactory to Parks, Forestry and Recreation. The Proposed

Development consists of a 39-storey, mixed-use building with 28,107 square meters (302,541 square feet) of total gross floor area. A Zoning By-Law Amendment application has not yet been submitted by DevGreat Inc. and the final height of the development and mix of residential and non-residential gross floor areas are still to be finalized through the planning approval process, however as per the proposed transaction terms, the final height is not to exceed the currently proposed 39-storeys.

The 1,000 square meter stratified public park would be the result of the proposed real estate transaction between the City and DevGreat Inc. and is not to be considered the parkland dedication associated with the development application. The development application to be submitted by DevGreat Inc. will be subject to parkland dedication requirements to fulfill Section 42 of the Planning Act. For the development application, cash-in-lieu of parkland dedication will be required as per the Municipal Code Chapter 415, Article III.

The new public park will be prominently placed at the southeast corner of Spadina Avenue and Adelaide Street West in a rectangular shape with good frontage and visibility from both abutting streets. The new public park is a positive addition to the downtown core as it regularizes the land parcels for both the City and DevGreat Inc. and creates a large green space amenity. DevGreat Inc., at their expense, will construct the retained City-owned public park to base park condition, inclusive of three (3) meters of soil depth, prior to the issuance of the first above grade building permit. DevGreat Inc. has agreed to construct the above base park improvements through a development charge credit against the Parks and Recreation component of the Development Charges applicable to the development site. The design of the public park will adhere to the City's Design Excellence standards. A minimum of 70 below-grade parking stalls will be constructed in accordance with Toronto Parking Authority specifications and operated by the Toronto Parking Authority as a municipal parking facility. As the proposed public park will be encumbered with a Toronto Parking Authority parking facility, City Council approval is required to accept these lands.

All remaining proceeds from this transaction are to be used by the Housing Secretariat and CreateTO to acquire an estimated 20-30 new affordable housing units in the area, with specific focus on potential affordable housing opportunities at the City-owned properties, 35 Bellevue Avenue and 15 Denison Avenue.

Staff conducted prior analysis and due diligence, and considered alternate options for unlocking the value of City assets at 105 Spadina Avenue and 363 Adelaide Street West. Given the financial and city-building merits of the proposal (including additional public parking spaces and public parkland in areas of significant deficiency), it was deemed to best meet the City's interest.

RECOMMENDATIONS

The Deputy City Manager, Corporate Services, and the Acting President, Toronto Parking Authority, recommend that:

1. City Council authorize the City, as Vendor, to enter into an Agreement of Purchase and Sale with the owners of 101 Spadina Avenue (DevGreat Inc.), as Purchaser/Developer, for:

a. a land exchange between the City and DevGreat Inc. of equal 214 square meter portions of land on 101 Spadina, 105 Spadina Avenue and 363 Adelaide Street West as outlined in Appendix A;

b. the City sale to DevGreat Inc. of a 249 square meter portion of 363 Adelaide Street West as outlined in Appendix B;

c. the City sale to DevGreat Inc. of the underground strata lands under the City park lands as outlined in Appendix C with the result of the transactions described in (a) (b) and (c) being that DevGreat Inc. will own the lands for the proposed development (the "Development Lands") and the City will own the strata lands for the new City park (the "Strata Park Lands");

d. the acquisition of stratified freehold title to portions of the underground parking garage containing a minimum of 70 parking spaces to be constructed by DevGreat Inc. to Toronto Parking Authority standards on the Development Lands (the "Public Parking Garage") as outlined in Appendix D; and

e. the construction and delivery of a new public park at grade to be fully constructed by DevGreat Inc. and being approximately 1,000 square meters in area located at the corner of Spadina Avenue and Adelaide Street West within the Strata Park Lands (the "Public Park");

substantially on the terms and conditions set out in Appendix E, including the confidential sale prices of the City sales and acquisition price for the Public Parking Garage and substantially in accordance with the estimated land values for the land exchange and estimated consideration for ancillary transactions, all as set out in Confidential Attachment 1, and together with such other terms and conditions as may be deemed appropriate by the Executive Director, Corporate Real Estate Management, in consultation with the Acting President, Toronto Parking Authority in respect of the Public Parking Garage and in consultation with the General Manager, Parks, Forestry and Recreation in respect of the Public Park, and in a form satisfactory to the City Solicitor.

2. City Council authorize the City to enter into all agreements and documentation contemplated under the Agreement of Purchase and Sale which require the City to be a party, solely in its capacity as land owner, including any construction and/or construction management agreements pertaining to the Public Parking Garage and/or the Public Park, easements, reciprocal cost sharing agreements, restrictive covenant agreements, limiting distance agreements, licence and/or occupancy agreements, closing documents and other agreements (the "Ancillary Transactions") on such terms and conditions as deemed appropriate by the Executive Director, Corporate Real Estate Management, in consultation with the Acting President, Toronto Parking Authority in respect of the Public Parking Garage and in consultation with the General Manager, Parks, Forestry and Recreation in respect of the Public Park, and in a form satisfactory to the City Solicitor.

3. City Council authorize the Executive Director, Corporate Real Estate Management, or their designate, in consultation with the Acting President, Toronto Parking Authority and the General Manager, Parks, Forestry and Recreation as applicable, to administer and manage the Agreement of Purchase and Sale and Ancillary Transactions, including the provision of any consents, approvals, waivers and notices, provided that the Executive Director, Corporate Real Estate Management may, at any time, refer consideration of such matters to City Council for its determination and direction.

4. City Council authorize any one of the Deputy City Manager, Corporate Services, the Executive Director, Corporate Real Estate Management, and the Director, Transaction Services, to execute and deliver the Agreement of Purchase and Sale and each of the Ancillary Transactions, on behalf of the City.

5. City Council authorize the Executive Director, Corporate Real Estate Management, or their designate, to execute and deliver on behalf of the City, solely in its capacity as land owner, written consent to any planning or development application contemplated under the Agreement of Purchase and Sale, provided the applicant agrees to assume all obligations including costs and liabilities under such applications, and subject to such other terms and conditions deemed satisfactory to the Executive Director, Corporate Real Estate Management, and in form satisfactory to the City Solicitor.

6. Any consent provided by the City, solely in its capacity as land owner, to a planning or development application shall not fetter the exercise by the City of all of its rights as a municipality, or impose 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 planning rights and responsibilities.

7. City Council direct that prior to all acquisitions by the City contemplated in this report, the City be in receipt of title opinions from the solicitors for DevGreat Inc., in form and content satisfactory to the City Solicitor.

8. City Council direct that the lands acquired for the Public Parking Garage be designated by bylaw for municipal parking purposes and managed by the Toronto Parking Authority.

9. City Council authorize the Executive Director, Corporate Real Estate Management, and the Executive Director, Housing Secretariat, to allocate all proceeds from transactions set out in this report, net of the funds required for the acquisition of the Public Park and the Public Parking Garage, to the Capital Revolving Reserve Fund for Affordable Housing (XR1058) with a commitment to the acquisition of affordable housing units in the area.

10. City Council direct the Executive Director, Housing Secretariat, to work with the Chief Executive Officer, CreateTO, on a plan to redevelop the properties located at 15 Denison Avenue and 35 Bellevue Avenue for affordable housing use, and that consideration be given to selecting a not-for-profit partner as the development partner for both of these properties.

11. City Council direct the General Manager, Transportation Services, to work with Acting President, Toronto Parking Authority, and the Chief Executive Officer, CreateTO, to locate replacement parking and implement the required bylaw changes to compensate for the future loss in surface parking from both 15 Denison Avenue and 25 Bellevue Avenue.

12. City Council accept the acquisition of the 214 square meters of the land exchange component of the transaction so that all of the Public Park lands (including the City-retained lands for the Public Park) will be in City ownership prior to the issuance of the first above grade building permit, notwithstanding that the Public Park will be encumbered by an underground parking structure containing a Toronto Parking Authority operated facility in the upper levels, and may also be encumbered by Ancillary Transactions.

13. City Council approve a development charge credit against the Parks and Recreation component of the development charges for the design and construction by DevGreat Inc. of the above base park improvements to the satisfaction of the General Manager, Parks, Forestry and Recreation and in an amount that is the lesser of the cost to DevGreat Inc. of designing and constructing the above base park improvements, as approved by the General Manager, Parks, Forestry and Recreation, and the Parks and Recreation component of development charges payable for the development in accordance with the City's Development Charges By-law, as may be amended from time to time.

14. City Council approve that DevGreat Inc. will pay their cash-in-lieu of parkland dedication associated with the development site prior to the issuance of the first Above Grade Building Permit to fulfill its obligations under Section 42 of the Planning Act and Municipal Code Chapter 415, Article III.

15. City Council authorize the public release of Confidential Attachment 1 following the closing of the land exchange and sale transactions, the acquisition of the Public Parking Garage and the delivery of the Public Park, as identified in this report.

FINANCIAL IMPACT

The detailed financial terms of the proposed transaction are outlined in Confidential Attachment 1.

It is expected that the proceeds from the partial land exchange and partial land sale of the City-owned properties would provide sufficient funds to finance the new public park constructed to base park condition, the acquisition of 70 fully constructed, underground parking spaces, and applicable land transfer taxes and Harmonized Sales Tax in respect of the acquisitions. The remaining proceeds from the transaction are to contribute to future affordable housing opportunities that are currently being explored at 35 Bellevue Avenue and 15 Denison Avenue, and will be directed to the Capital Revolving Reserve Fund for Affordable Housing (XR1058) with a commitment to do so. No credit shall be given towards the Parks and Recreation component of the development charges for costs associated with base park improvements.

The new public park to be constructed as part of this transaction does not represent the development's parkland dedication and DevGreat Inc. is required to fulfill Section 42 of the Planning Act for parkland dedication through cash-in-lieu. The development is subject to development charges. It is expected that the Parks and Recreation component of the development charges collected as part of this development would be sufficient to cover the cost of the above base park improvements. Any operating cost implications as a result of the new public park will be identified during future year budget processes for consideration.

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this program for review as part of the 2021 budget process.

DECISION HISTORY

In accordance with the process outlined in the City of Toronto Municipal Code, Chapter 213, Real Property, the City-owned lands at 105 Spadina Avenue and 363 Adelaide Street West have been declared surplus to the City's requirements through DAF 2020-288 with the intended manner of disposal to be by way of sale to DevGreat Inc. for incorporation into a new mixed-use development with the lands at 101 Spadina Avenue. All requirements under Chapter 213 will be completed prior to the consideration of this report by Committee.

At its meeting of November 3, 2020, the Board of Directors of Toronto Parking Authority adopted PA18.6 - "Acquisition of Parking at 105 Spadina Avenue (Car Park 212) and 363 Adelaide Street West (Car Park 227)". The Board authorized the submission of a joint report between the Acting President, Toronto Parking Authority and the Deputy City Manager, Corporate Services pertaining to the acquisition of new underground public parking spaces through the transaction being contemplated for the City owned lands at 105 Spadina Avenue and 363 Adelaide Street West. The Board decision can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PA18.6>

At its meeting of July 23, 2020 the CreateTO Board adopted RA14.6 - "Opportunity to Create New City Park at 105 Spadina Avenue and 363 Adelaide Street West". CreateTO Board directed the Chief Executive Officer, CreateTO to negotiate with DevGreat Inc. based on the major terms identified in this report. The Board also directed the CEO CreateTO to work with the Executive Director, Housing Secretariat on a plan to redevelop the properties located at 15 Denison Ave. and 25 Bellevue Ave, and to work with the Acting President, Toronto Parking Authority and the General Manager, Transportation Services to locate on street replacement parking which contemplates the loss in surface parking from both of these sites. The CreateTO Board decision can be found here:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RA14.6>

At its meeting of July 23, 2018, City Council adopted MM44.93 - "15 Denison Avenue - Exploring Affordable Housing and Cultural Animation Opportunities". Council requested that the Director, Real Estate Services, the Director, Affordable Housing Office, the Interim Chief Financial Officer, the Transition Lead of CreateTO and the Chief Planner

and Executive Director, City Planning to explore affordable housing and cultural animation opportunities for 15 Denison Avenue, as an independent and/or joint development opportunity and report back in second quarter of 2019 with a conceptual design and feasibility plan. The City Council decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.MM44.93>

At its meeting of July 4, 2018, Toronto and East York Community Council adopted TE34.18 - "Visioning for 25 Bellevue Avenue Toronto Parking Authority Parking Lot". Council requested the Acting Director, Community Planning, Toronto and East York District, to undertake a visioning process, in consultation with CreateTO, the Affordable Housing Office, and other City divisions and agencies as needed, to consider potential city-building opportunities regarding the 25 Bellevue Toronto Parking Authority Parking Lot, in consultation with the Ward Councillor, Kensington Market Land Trust, and local community. The Community Council decision can be found here: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.TE34.218>

COMMENTS

Background

The properties located at 105 Spadina Avenue and 363 Adelaide Street West are currently owned by the City of Toronto ("City-Owned Lands") and have been operated by the Toronto Parking Authority ("TPA") as a surface parking lot since 2005 and 2001, respectively. The adjoining property at 101 Spadina Avenue is currently owned by DevGreat Inc. (the "Developer") and contains a two-storey retail building.

The Developer approached CreateTO to negotiate a potential transaction involving the acquisition of a portion of the City-Owned Lands as part of the development of 101 Spadina Avenue ("Developer Lands") (collectively, "Project Lands"). A circulation to the City's Divisions and Agencies was undertaken to ascertain whether or not there was any municipal interest in retaining 105 Spadina Avenue and 363 Adelaide Street West. The Parks, Forestry and Recreation division expressed an interest in establishing a new public park on a portion of these lands (corner of Spadina Avenue and Adelaide Street West).

Staff conducted prior analysis and due diligence, and considered alternate options for unlocking the value of City assets at 105 Spadina Avenue and 363 Adelaide Street West and securing a new public park on site. Given the financial and city-building merits of the proposal (including additional public parking spaces and public parkland in areas of significant deficiency), it was deemed to best meet the City's interest. As a result, CreateTO entered into negotiations with the Developer on an Agreement of Purchase and Sale, the major terms of which are presented in this report.

Site Location and Particulars

The two City-owned properties together form an L-shaped contiguous property which is 1,249 square meters in size and currently contains a 36-space surface parking lot operated by the Toronto Parking Authority ("TPA"). The City-Owned Lands have frontage along Spadina Avenue of 15.2 meters (50 feet) and along Adelaide Street West of 44.9 meters (147 feet).

A description of each of the properties that comprise the Project Lands follows:

Property	Site Size (Square Feet / Square Meters)	Percentage of Total Size (approximately) of Project Lands	Existing Use
105 Spadina Avenue and 363 Adelaide Street West ("City-Owned Lands ")	1,249 square meters (13,445 square feet) less 1,000 square meters (10,764 square feet) to remain as City-owned park	21.1 percent	Municipal Car Park 227 and 212 A 14-space and 22 space surface parking facility
101 Spadina Avenue ("Developer Lands")	930 square meters (10,010 square feet)	78.9 percent	A two (2)-storey, 20,000 square foot retail building

The Development

As currently proposed, the transaction contemplates the disposition of a portion of the City-Owned Lands to the Developer and acquisition of a public parking garage from the Developer.

The combined properties will then be redeveloped by the Developer in accordance with the transaction agreements to be executed with the City. This development project will include a minimum 1,000 square meter (10,764 square feet) stratified public park to be owned by the City and operated by Parks, Forestry and Recreation ("PFR") and a 39-storey, mixed-use development that will contain at a minimum 70 public parking spaces and private parking below-grade.

The Developer has not yet submitted a Zoning By-Law Amendment application under Section 34 of the Planning Act. The final height, mass and built form of the development and mix of residential and non-residential gross floor areas are still to be finalized through the planning approval process. Once the Developer has submitted a complete application to amend the Zoning By-law, it will be subject to the City's Streamlining the Application Review Process (STAR), including community input through the City's standard community engagement process.

Benefits to the City

There are a number of city-building benefits from this transaction, including the creation of a new public park of 1,000 square meters (10,764 square feet), the creation of onsite public parking, and the generation of additional funds to be used for affordable housing. The City is repurposing an existing irregular shaped public parking lot by working with the Developer to regularize both sites while coordinating efforts to create a new public park, expand the public parking facility in the substructure and create a viable development block.

Public Park

The Developer will deliver to the City a 1,000 square meter (10,764 square feet) rectangular public park at the corner of Spadina Avenue and Adelaide Street West, as shown in Appendix B. Policy 3.2.3.8 of the City's *Official Plan* requires parkland to be conveyed free and clear of encumbrances. The proposed parkland is a part of a larger city-building strategy which increases both the parks and open space system and public parking availability within the downtown, PFR supports this proposal and the request for City Council authority to accept the encumbered parkland.

The King-Spadina neighbourhood is currently experiencing one of the highest growth rates in the city. Based on 2016 statistics, this area is in the lowest parkland provision, as per the City's Parkland Strategy, and the available square meters of parkland per person will decrease a further 50-86 percent by 2033 if no new parkland is secured.

The new public park generated through the collaboration of CreateTO, Toronto Parking Authority, Parks, Forestry and Recreation and DevGreat Inc. will improve the liveability of this area by providing new parkland in a rapidly growing area. This park will act as the 'backyard' for the many condominium residents in the area.

The Developer, through their development application, will continue to be required to fulfill their obligations through Section 42 of the Planning Act and Development Charge By-law.

The new public park is to be constructed to base park condition by the Developer. The above base park improvements will be completed by the Developer through a development charge credit of the Parks and Recreation component. The proposed public park will be constructed above public and private parking garage. The design of the public park must adhere to design excellence standards and be to the satisfaction of the General Manager, PFR.

Any future repairs or maintenance to the parking garage roof or waterproofing layer between the parkland and the underground garage will be the responsibility of the Developer. Proper notification to Parks, Forestry and Recreation must be provided in advance of any work. Once the work has been completed, the Developer, at their expense, will reinstate the park to the level and quality of the initial design to the satisfaction of the General Manager, PFR.

Onsite Public Parking

As a part of the development project, the Developer will be constructing a below-grade public parking garage, which is proposed to be comprised of two levels (P1 and P2) containing a minimum of 70 public parking spaces built to TPA standards and specifications, and to be operated by the TPA as a municipal parking facility.

The City-Owned Lands are located in the King-Spadina Reinvestment Area, which has become one of the highest growth areas in the City of Toronto. Comprised of a unique mix of land uses, the area contains a large concentration of jobs in the culture sector, growing residential communities, historic and well-used parks, animated commercial main streets, a lively arts scene including theatres, live music venues and galleries, and a vibrant night-time economy.

The King-Spadina area has historically seen strong demand for public parking. The implementation of the King Street Transit Priority Corridor resulted in the loss of 180 on-street parking spaces along King Street from Bathurst Street to Jarvis Street, including 31 spaces in the immediate vicinity of the City-Owned Properties.

Parking usage at both Car Park 212 and 227 is extremely high, as identified in Table 1 below.

Table 1- Parking Usage at Car Park 212 - 363 Adelaide Street West and Car Park 227 - 105 Spadina Avenue.

Municipal Car Park Number	Address	Usage (September 2019)
212	363 Adelaide Street West	103 percent
227	105 Spadina Avenue	103 percent

Given the consistently high usage and revenues at these existing TPA facilities and the recent loss of on-street parking in the area, maintaining a parking presence at this location will not only help accommodate the existing and future parking demands, but will represent a sustained source of revenue for the City.

This transaction proposes a deeper than normal parking structure with a minimum of three (3) meters of soil coverage above the majority of the parking structure, with the exception of a portion of the ramp area, to minimize any potential impact on the proposed park, to the satisfaction of the General Manager, PFR.

Proceeds for Affordable Housing

In addition to the development of the public park and the underground public parking garage, the proposed transaction creates additional proceeds for the City. The additional proceeds are to be allocated towards the creation of approximately 25-30

new affordable housing units in the area, with specific focus on potential affordable housing opportunities at 35 Bellevue Avenue and 15 Denison Avenue.

35 Bellevue Avenue and 15 Denison Avenue are City-owned properties that are currently operated by the TPA as public parking facilities. 25 Bellevue Avenue (Carpark 71), located in University-Rosedale, contains 91 parking spaces while 15 Denison Avenue (Carpark 106), located in Spadina-Fort York, contains 120 parking spaces. Both properties have been identified through City Council and/or Toronto East York Community Council as having city-building potential to provide affordable housing.

CreateTO, along with City Planning and the Housing Secretariat, have initiated preliminary discussions and analysis of potential development on these two sites. Staff will continue these discussions and produce further analysis in order to report back to City Council.

Next Steps

This report seeks City Council approval to finalize the terms of the transaction with the Developer, substantially in accordance with the terms outlined in Appendix D and in Confidential Attachment 1. Subject to the approval of the recommendations contained within this report and the finalization of the terms of the transaction, an Agreement of Purchase and Sale and Ancillary Transaction agreements will be drafted by CreateTO in conjunction with Corporate Real Estate Management, Legal Services, Toronto Parking Authority and Parks, Forestry and Recreation.

CONTACT

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SIGNATURE

Josie Scioli
Deputy City Manager, Corporate Services

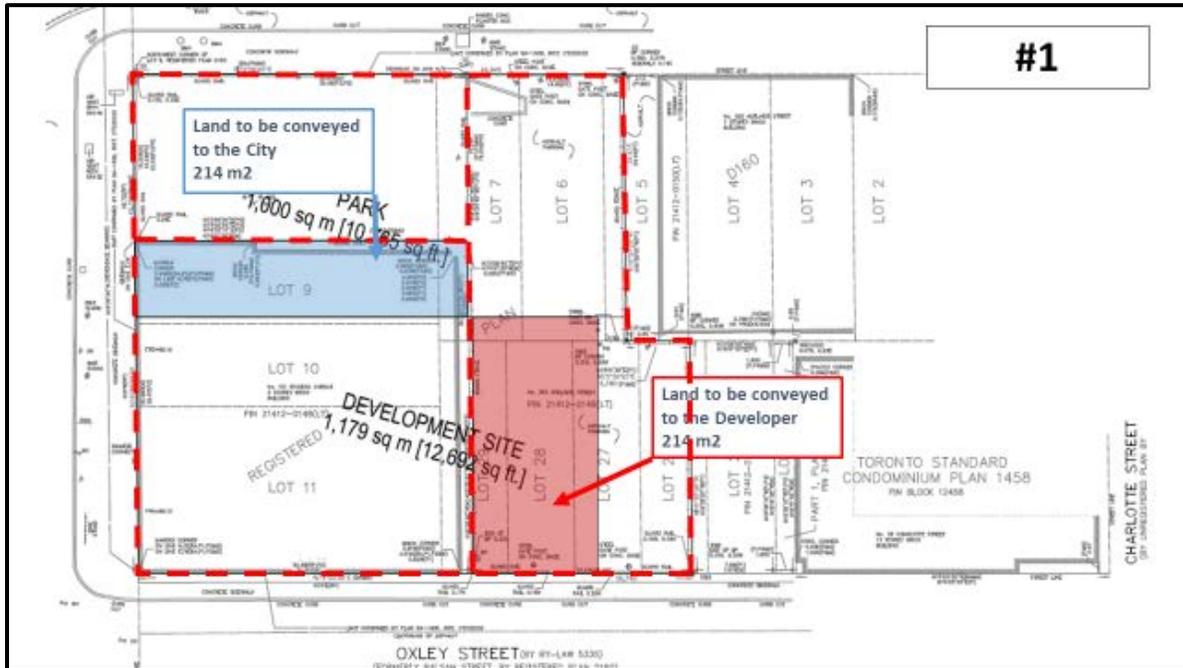
Robin Oliphant
Acting President, Toronto Parking Authority

ATTACHMENTS

Appendix A - Site Map - Lands to be Exchanged
Appendix B - Site Map - City Lands to be Sold
Appendix C - Site Map - Strata Lands to be Conveyed to the Developer
Appendix D - Site Map - Strata Lands to be Conveyed to the City
Appendix E - Summary of Major Business Terms
Appendix F - Public Park Requirements
Confidential Attachment 1 - Financial Considerations

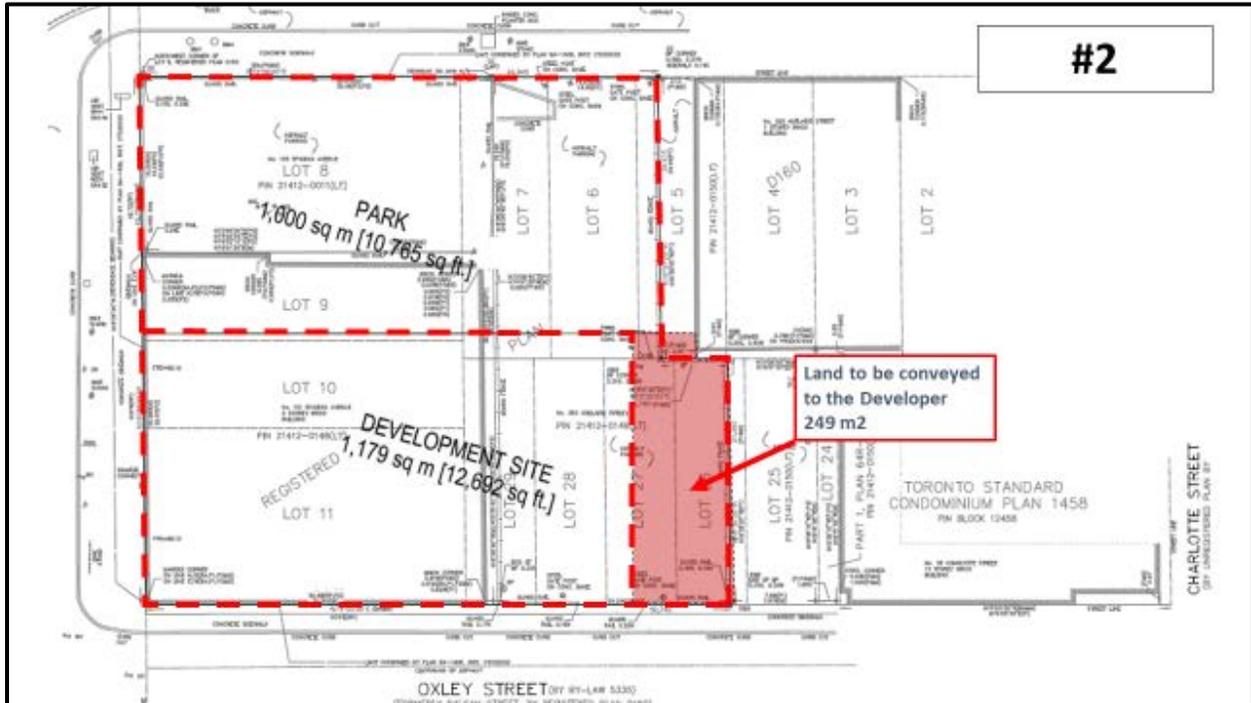
APPENDIX A

Site Map - Lands to be Exchanged



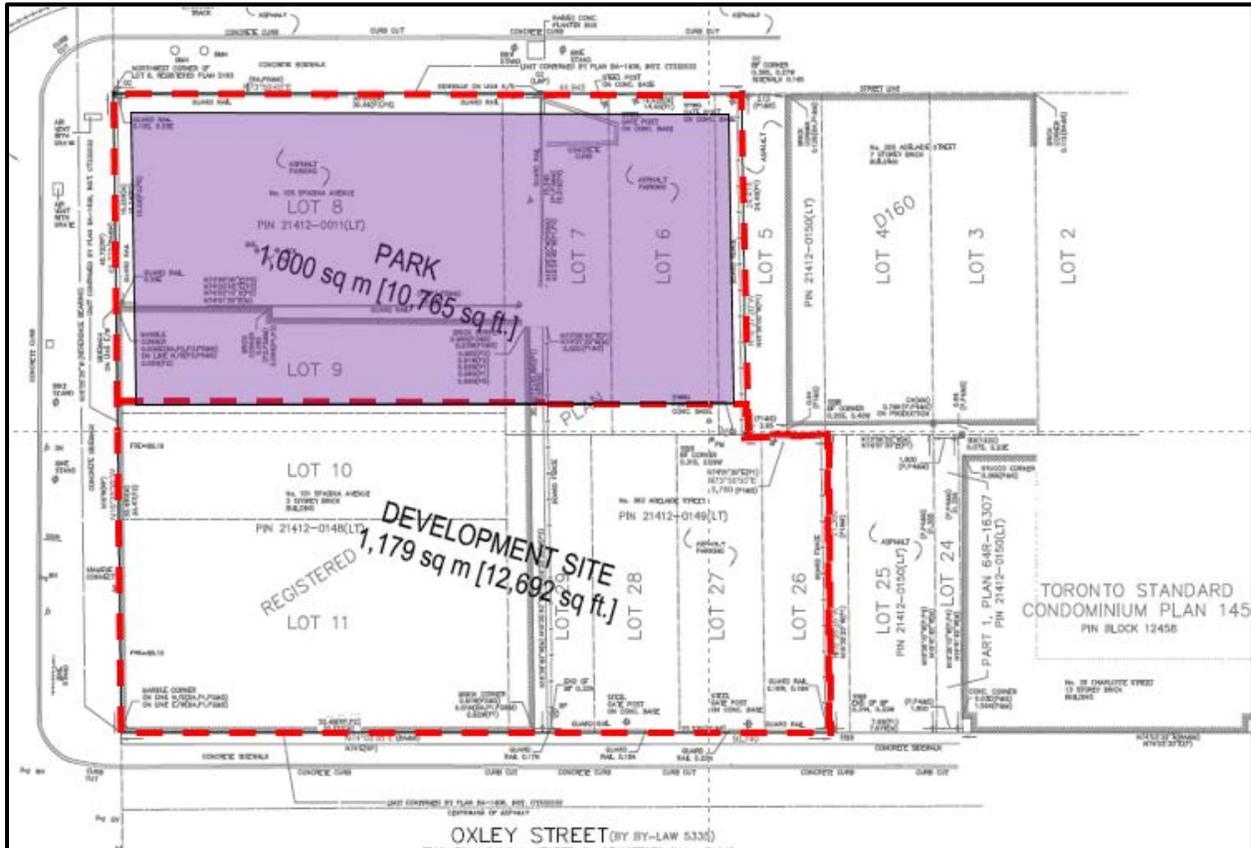
APPENDIX B

Site Map - City Lands to be Sold



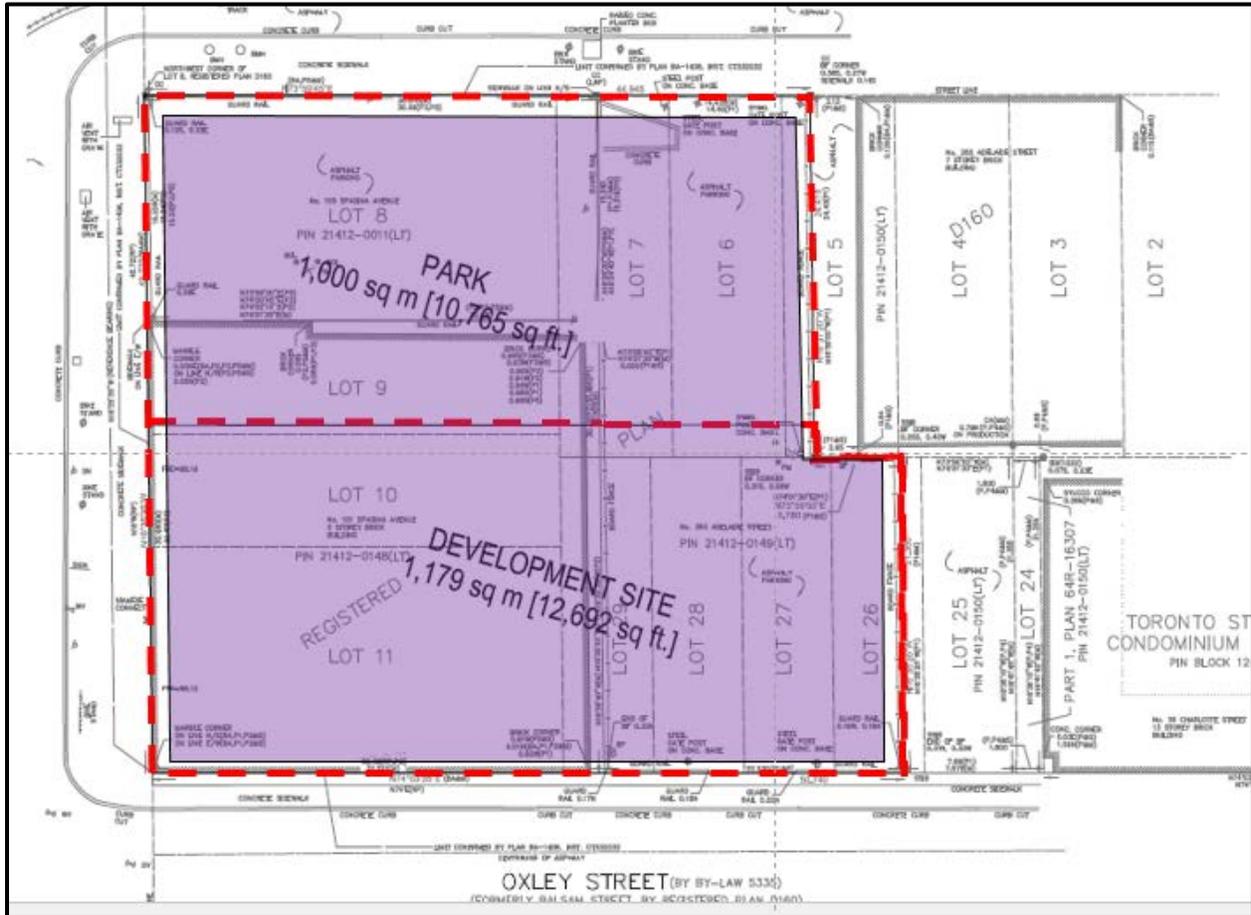
APPENDIX C

Site Map - Strata Lands to be Conveyed to the Developer



APPENDIX D

Site Map - Strata Lands to be Conveyed to the City



APPENDIX E

Summary of Major Business Terms

Purchaser / Developer	Owners of 101 Spadina Avenue (DevGreat Inc.)
Vendor	City of Toronto
City Property/ Subject Property	<p>105 Spadina Avenue Toronto All of PIN 21412-0011 (LT) Pcl 7-1 Sec AD160; Lt 8 PI D160 as more particularly described in the PIN Being approximately 464 square meters (5,000 square feet)</p> <p>And</p> <p>363 Adelaide Street West, Toronto All of PIN 21412-0149(LT) Lt 6, 27-28 PI D160; Pt Lt 5,7,26&29 PI D160 Toronto as more particularly described in the PIN Being approximately 785 square meters (8,446 square feet)</p> <p>Collectively, the City Property is approximately 1,249 square meters (13,445 square feet).</p>
Project Lands / Development Lands	<p>The Project Lands will be comprised of portions of the City Property exchanged and sold to the Developer (with City retaining ownership of the strata portion of the Public Park) and all of the Developer's Property.</p> <p>The Developer's Property is: 101 Spadina Avenue, Toronto All of PIN 21412-0148(LT) Lt 9-11, PI D160; Pt Lt 7, 29 D160 Toronto as more particularly described in the PIN Being approximately 930 square meters (10,010 square feet)</p>

<p>Project Description Development</p>	<p>The Project is a mixed-use residential and commercial building with underground parking, including the Public Parking Garage for operation by Toronto Parking Authority (TPA) and new Public Park for operation by the City's Parks, Forestry and Recreation (PFR) Division.</p>
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<p>Public Park</p>	<p>The Developer shall construct a new Public Park above the Public Parking Garage. The Public Park will have a minimum area of 1,000 square meters, and be rectangular shaped, substantially in the area shown in Appendix B at the corner of Spadina Avenue and Adelaide Street West.</p> <p>The Developer, shall construct the Public Park to base park condition with a minimum of three (3) meters of soil coverage. The Developer shall construct the above base park improvements to the Public Park through a development charge credit of the Parks and Recreation component of the development charges for this project. The Developer will be responsible, at their own expense, for all future repairs and maintenance of the garage roof and waterproofing between the Public Park and the underground parking garage. Proper notification to PFR will be required prior to the commencement of any work. Once the work has been completed, the Developer, at their expense, will reinstate the park to the level and quality of the initial design to the satisfaction of the General Manager, PFR.</p> <p>The Developer will ensure the structural design of the underground parking garage will be in accordance with all applicable codes and by-laws including the Highway Bridge Code Requirements. Those portions of the underground parking garage below any part of the Public Park are to be designed, constructed, operated and repaired to support the Public Park, including without limitation those requirements set out in Appendix F, as approved by the General Manager, PFR.</p> <p>The Public Park will be a stratified freehold title with no upper limit or ceiling of approximately 1,000 square meters (10,765 square feet), free and clear of all encumbrances save and except for the underground parking structure, and any ancillary transaction agreements.</p> <p>The Public Park will be turned over prior to the first above grade building permit with the above base park improvements completed prior to the condominium registration of the building.</p> <p>PFR will review estimates and approve letters of credit for base park and above base park improvements.</p>
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<p>Public Parking Garage</p>	<p>The Developer shall construct a Public Parking Garage with two levels (P1 and P2) and a minimum of 70 spaces for public parking in accordance with TPA's 2014 Standard Design Specifications, including legal access to, or ownership of, all or some portion or portions of the ramps, stairs, elevators and corridors for pedestrian and vehicular access and egress thereto.</p> <p>The Public Parking Garage will be a stratified freehold conveyance, together with and subject to appurtenant registered easements as necessary for the Public Parking Garage.</p> <p>The Public Parking Garage will be conveyed on the Public Parking Garage Turnover/ Closing, as defined below.</p>
<p>Project Plans</p>	<p>Pre-Submission Conceptual Site Plan, Floor Plan and Section drawings prepared by Audax. Dated May 2020</p>
<p>Public Parking Garage Consideration</p>	<p>Please see Confidential Attachment 1 for particulars of the total and per-space value to be paid to the Developer as consideration for the construction of the Public Parking Garage.</p>
<p>Purchase Price for the sale of the City-owned property</p>	<p>The Purchase Price for the sale of portions of the City Property and values of the land exchanges are based on the appraised fair market value of the City Property</p> <p>Please see Confidential Attachment 1 for particulars of the appraised fair market value of the City Property and the payment terms of the purchase price for the City Property.</p>
<p>Transaction Conditional upon Zoning in Final Form</p>	<p>The transaction will be conditional upon the re-zoning of the Project Lands to permit the proposed new Project.</p>

<p>Closings</p>	<p>The Closing of the land exchanges and City sales of portions of the City Property shall take place after the Project Lands have been zoned in final form (the "First Closing") and following demolition of the existing building at 101 Spadina Avenue. Demolition of 101 Spadina Avenue will occur no later than the earlier of a) 12 months following zoned in final form and b) 4 months following Site Plan Control Application - Notice of Approval Conditions.</p> <p>The closing of the acquisition of the Public Parking Garage will take place when the Public Parking Garage is constructed and turned over to the City/TPA in accordance with the transaction terms on the Public Parking Garage turnover (the "Public Parking Garage Closing").</p> <p>The turnover of the Public Park will take place when the Public Park is constructed and turned over to the City in accordance with the transaction terms on the Public Park turnover (the "Public Park Turnover").</p> <p>The Public Parking Garage Closing and the Public Park Turnover shall, in any event, occur prior to condominium registration by the Developer</p>
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<p>Construction Bonds Letter of Credit S118 Land Titles Act Restriction</p>	<p>The construction of the Public Parking Garage and Public Park will be secured by:</p> <p>A 50 percent performance bond (which performance bond shall not be released until one year after substantial completion of the underground parking garage for the Project and the Public Park) and a 50 percent labour and material bond which bonds shall be provided by the Developer in respect of the excavation, shoring, forming and concrete, electrical, mechanical and waterproofing contracts, in amounts representing 50 percent of the anticipated cost of such contracts.</p> <p>An irrevocable letter of credit from a bank approved by the City and TPA, acting reasonably, in the amount of 120 percent of the anticipated construction cost to complete the entire underground parking garage and the Public Park.</p> <p>The Developer will grant a S.118 Restriction on title to the Project Lands, in priority to all financial encumbrances which will require the consent of the City for the transfer or charge of the Project Lands. The Restriction will secure the obligation of any transferee or chargee, who is acceptable to the City acting reasonably, to carry out and complete the Project and the construction and delivery of the Public Parking Garage and the Public Park. The Developer's existing mortgages will also be required to enter into such agreement with the City.</p>
<p>Reciprocal Agreement - Parking Garage</p>	<p>On or before the Public Parking Garage Closing, the Developer (on behalf of the future condominium corporation), together with the City / TPA will execute and deliver to each other a reciprocal cost-sharing and easement agreement setting out the terms of the cost-sharing, responsibility for maintenance and repairs, decision-making and other similar matters, as between the parties, in order to enable each of the Developer (on behalf of the future condominium corporation) and the City / TPA to effectively own and operate their respective portions of the underground parking garage.</p>

Public Park Agreements	The delivery of the Public Park may include ancillary transaction agreements, including but not limited to reciprocal agreements, limiting distance agreements, licences, easements, park access agreements, or agreements in a form as deemed appropriate by the City.
Separate Construction and/or Construction Management Agreement(s) for the Public Parking Garage and the Public Park	The Developer and the City shall enter into a construction and/or construction management agreement(s), or agreement(s) in a form as deemed appropriate by the City, on or following the first closing for the construction of the Public Parking Garage and the Public Park, which agreements shall set out the terms and conditions, specifications, guidelines, procedures, and deliverables for the Public Parking Garage and/or the Public Park.
Interim Parking Lease Agreement	If requested by TPA, the Developer will lease to the City/TPA for nominal consideration the existing surface parking facility located on the City Property for use by the TPA as a commercial parking lot for the lease term commencing on the Closing and until construction commences on the Project Lands, at no cost to City/TPA.
Solicitor's Title Opinions	<p>On the Public Parking Garage Closing, the Developer shall obtain a legal title opinion confirming that the City/TPA has good and marketable freehold title to the lands comprising the Public Parking Garage, together with all ancillary transfers of easements required for the use and operation of the Public Parking Garage, in form and content satisfactory to the City Solicitor.</p> <p>On the first Closing, the Developer shall obtain a legal title opinion confirming that the City has good and marketable freehold title to the lands comprising the Public Park, together with all ancillary transfers of easements required for the use and operation of the Public Park, in form and content satisfactory to the City Solicitor.</p>

<p>Environmental</p>	<p>The City Property is being sold on an “as is, where is” basis including its environmental condition, state of repair, deficiencies and encroachments. The Developer will release TPA and the City from all claims arising out of the pre-existing environmental condition of the City Property.</p> <p>The Developer shall also provide an indemnity in favour of TPA and the City from and against all claims in connection with the environmental activities or omissions of the Developer in respect of the City Property, the Project Lands and any of the Developer's obligations under the transaction.</p> <p>The Developer will have environmental obligations in respect of the demolition of existing buildings on the Developer's Property and construction of the Project, including:</p> <ul style="list-style-type: none"> • Developer retain a "Qualified Person" (QP) under the Environmental Protection Act; • QP to ensure all works are undertaken in accordance with the legislative and regulatory requirements described in Ontario Regulation 153/04, as amended, as well as the requirements described in the Record of Site Condition (RSC), Certificate of Property Use (CPU) and Risk Assessment (RA) for the Project Lands, as applicable. • All environmental reports to be provided to the City; Prior to commencing any works within the proposed Public Park, the QP shall submit to the City for review and acceptance, all supporting materials and documents required by any CPU registered on the Project Lands, including a soil and groundwater management plan and health and safety plan, and any other support materials contemplated by such CPU relating to the proposed Public Park, as applicable. • Prior to Public Park Closing, the QP shall submit a statement to the satisfaction of the City, certifying that all works within the Public Park were undertaken by the Developer in accordance with <i>Ontario Regulation 153/04</i>, as amended, as well as with the requirements described in CPU and, further, that no additional soil or groundwater contamination occurred or was identified within the Project Lands. The
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	<p>certification will include the QP's statement that the Public Park is suitable for the proposed use.</p> <ul style="list-style-type: none">• The Developer shall ensure that the QP statement referenced above includes a reliance letter in a form satisfactory to the City that is stamped, dated and signed confirming that both the City, and its agents, can rely on any additional investigations or environmental documentation submitted by the Developer or the QP.• Prior to Public Park Closing, the Developer agrees to submit CPU site-plans and as-built drawings to demonstrate all Risk Management Measures, including but not limited to barriers, and protective fill caps, were constructed in compliance with the CPU and Public Park requirements, to the satisfaction of the City• The Developer agrees that the management of soil within the Project Lands, including the proposed Public Park, will be conducted in accordance with applicable legislation, including Ontario Regulation 153/04, as amended, Ontario Regulation 406/19 <i>"On-Site And Excess Soil Management Regulation"</i>, as amended, as well as the CPU and Public Park requirements, and that the Developer will submit supporting documentation as may be required to the satisfaction of the City• The Developer agrees that the acceptable un-impacted material protective fill cap within the proposed Public Park, must be at least 3.0 metres in depth except in areas where the downward sloping vehicular access ramps do not allow for the full soil coverage, provided this area does not exceed 35 percent of the total Public Park area. Acceptable vertical cross-sections (profile) for the fill cap may utilize fill material as approved by PFR, as negotiated by the Developer with the recipient City Division, as applicable. PFR will provide the Developer with an acceptable specification form the fill material.• The Developer agrees to pay to the City all costs associated with City peer review of submissions required to be made to the City pursuant to these provisions, including administrative costs• Carry out all remediation of the City Property and the Project Lands to the satisfaction of the MECP such that no Risk Management Measure
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	<p>obligations from any acknowledged Certificate of Property Use or Certificate of Requirement will be imposed by the MECP on the City/TPA as owner of the Public Parking Garage or Public Park; and</p> <ul style="list-style-type: none"> • Cause a Record of Site Condition to be filed in respect of the City Property and Project Lands.
<p>Planning Applications/ Rezoning etc.</p>	<p>All planning applications (including rezoning and site plan applications) by the Developer must be reviewed and approved by the City (in its capacity as Vendor).</p> <p>The City, solely in its capacity as land owner, will provide consent to rezoning and other development / planning applications consistent with the proposed Project. The Developer will assume all costs and liabilities and no consent will fetter the discretion of the City to consider such applications.</p> <p>The Developer acknowledges and agrees that the maximum building height of the Project shall not exceed 134.4 meters (to top of mechanical penthouse).</p>
<p>S119 Restrictive Covenants Agreement</p>	<p>On or before the Public Parking Garage Closing, the Developer shall deliver to the City the following restrictive covenants on the Project Lands:</p> <ul style="list-style-type: none"> • No parking spaces within the balance of the parking garage or elsewhere upon the Project Lands or any abutting lands owned or acquired by the Developer for the Project or used in connection with the Project, save for the public parking garage, shall be used as a commercial parking lot, nor shall such parking spaces be operated by a third-party commercial parking lot operator without the prior written consent of the City, which may be unreasonably or arbitrarily withheld in its sole and absolute direction.

APPENDIX F

Public Park Requirements

Structural Conditions related to the Public Park

1. All mechanical elements of the Public Park shall be designed and installed such that they function independently of the development lands and as part of the Public Park and, further, that operational controls are accessible other than through private property or will be accessible by a service easement that is acceptable to the General Manager, PFR.
2. No penetrations of slabs, membranes or other elements associated with the development shall be permitted through or into the Public Park.
3. The Owner agrees to convey, along with the Public Park, any necessary support easements, to the satisfaction of the General Manager, PFR.
4. Upon the completion of the required improvements to the below grade garage, the Owner shall at its cost, cause a registered plan of survey to be made of the as constructed facilities.
5. The Owner shall, at its expense and in the same manner and to the same extent as a prudent Owner, construct, maintain and operate all structures and building elements within and related to the below grade garage situated below the Public Park, in good and substantial repair. In the event of damage to or destruction of the below grade garage, the Owner shall repair or reconstruct the below grade garage to provide sound waterproofing in full and proper support to the Public Park. Prior to the commencement of repair, maintenance, restoration or reconstruction of integral or structural elements of the below grade garage, the Owner shall submit the plans and drawings for the proposed work for acceptance by the General Manager, PFR in consultation with the Chief Building Official and Executive Director, Toronto Buildings, and shall repair, maintain, restore or reconstruct in accordance with the approved plans and drawings. The Owner, at their expense, shall be responsible for the repair and reinstatement of the Public Park to the same or improved condition as prior to undertaking any maintenance, restoration or reconstruction of the below grade garage. In such cases, the Owner shall submit to the City a letter of credit in the amount of 120% of the value of the estimated cost to properly reinstate the Public Park. The Letter of Credit, less 20%, will be returned upon completion of the park replacement with a Certificate of Completion from a registered Landscape Architect. The remainder will be retained for a two year warranty.
6. In addition to any other indemnification requirements, the Owner, in respect of the Public Park, for itself as well as for its successors and assigns, hereby agrees that it will at all times, hereafter save, keep harmless, and fully indemnify the City, its elected officials, officers, employees and agents from and against all

causes of action, suits, proceedings, claims and demands whatsoever which may be brought against or made upon the City, its elected officials, officers, employees and agents and against all loss, liability, judgments, costs, charges, demands, damages or expenses which the City, its elected officials, officers, employees and agents may sustain, suffer or be put to resulting from or arising out of:

- a. the proximity of the Public Park to the elements and structures of the adjacent buildings and structures, including the below grade garage, its associated structures, slab and membrane;
- b. failure of the Owner to satisfy its obligations in connection with the Public Park, including obligations relating to support.

7. The City shall have the right to enter the below grade garage to inspect the state of its repair and maintenance upon giving the Owner reasonable notice in writing. In the event the Owner fails to repair or maintain the below grade garage so as to properly provide the rights of support and waterproofing referred to in the conditions or to properly restore the Public Park and in the event the City has provided the Owner with not less than thirty (30) days prior notice in writing setting out the alleged failure or defect, then the City may enter the below grade garage and any adjacent lands necessary for access to the below grade garage and do such repair or maintenance work as is necessary to provide the required support or waterproofing and the City may restore the Public Park all at the cost of the Owner.

8. In the event of an emergency situation where the life or safety of the public is endangered or the Public Park is in imminent danger of collapse or damage then the City, without having given notice to the Owner, shall be entitled to enter the said lands and perform such emergency work as is necessary to deal with the emergency situation at the cost of the Owner.

Structural Conditions related to Base Park Improvements for the Public Park

1. The Owner shall retain a qualified and experienced structural engineer to:
 - i. Ensure that those portions of the below grade garage below any part of the Public Park are designed and constructed to support the Public Park as shown on the above base park drawings as approved by the General Manager, PFR. The structural design must allow for live loads for snow, assembly occupancies, mature planting and trees and City of Toronto fire truck loading, as well as all designed elements such as material build up including 1.5 meters of fill and topsoil, Silva Cells and the associated water storage, landscape elements such as planters, fountains, pergolas, park buildings and concrete work. The structural design must be in accordance with all applicable codes and by-laws including the Highway Bridge Code Requirements. Structural engineering design is to be peer reviewed by the City of Toronto to ensure that the roof of the below grade garage complies with the above;

- ii. Ensure that the roof of the below grade garage contains an adequate roof drainage system and is waterproofed with an appropriate membrane and protected against damage from the use and maintenance of the Public Park, including but not limited to tree root growth so as to prevent water penetration into the below grade garage. Structural engineering design is to be peer reviewed by the City of Toronto to ensure that the roof of the below grade garage complies with the above;
- iii. Work with the Landscape Architect (as a sub-consultant) to explore and present options for prolonging the life of the park, either through innovations in roof deck construction, modularity of park elements, etc.;
- iv. Submit certification confirming that the responsibilities respecting the design and construction of the below grade garage have been complied with and, further, prior to the turnover of the Public Park to the City, submit a certificate stating that the work has been completed in accordance with the requirements and that, in the opinion of the structural engineer, the below grade garage will support the Public Park above and any loading imparted on it, including its construction and maintenance during the life expectancy of the Public Park and the below grade garage.