REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Transaction Expenses - Acquisition of New Public Parking Garage: 300 to 308 Queen Street West (Municipal Car Park 262)

Date: April 27, 2021
To: Board of Directors, Toronto Parking Authority
From: City Solicitor, and President, Toronto Parking Authority
Wards: Ward 10, Spadina-Fort York

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report contains advice that is subject to solicitor-client privilege.

SUMMARY

This report is to provide the Board of Directors of Toronto Parking Authority with information and recommendations regarding the transaction-related expenses associated with the acquisition of a new parking garage at a property municipally known as 300 to 308 Queen Street West (the "Property"), which was conveyed to the City on July 17, 2020.

Confidential Attachment 1 contains information pertaining to potential litigation and contains advice that is subject to solicitor-client privilege.

RECOMMENDATIONS

The City Solicitor and President, Toronto Parking Authority recommend that:

1. The Board of Directors of Toronto Parking Authority adopt the recommendations in the Confidential Attachment; and

2. The Board of Directors of Toronto Parking Authority direct that the information contained in Confidential Attachment 1 remain confidential in its entirety at the

discretion of the City Solicitor, as it contains advice that is subject to solicitor-client privilege.

FINANCIAL IMPACT

The financial implications are discussed in the confidential attachment.

DECISION HISTORY

At its meeting on May 28, 2014, the TPA Board of Directors approved the negotiation of an agreement of purchase and sale to acquire a stratified, below grade interest to build a TPA parking garage, as part of a proposed commercial / retail development at the property.

At its meeting on March 21, 2016, the TPA Board of Directors approved the acquisition of the Property for not more than $9 million, plus $450,000 for transaction related ancillary costs, to build a 125 parking space parking garage.

At its meeting on June 7, 2016, Toronto City Council approved the acquisition of the Property. A copy of this decision is located here:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM12.18

At its meeting on January 29, 2019, the TPA Board of Directors approved an amendment to the agreement of purchase and sale to correct a clerical error made by the vendor regarding the correct identity of the then-owner of the Property. A copy of the decision is located here:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PA2.3

Pursuant to Delegated Authority exercised by the Director, Real Estate Services contained in Executive Committee, Item No. EX27.12, entitled " City-Wide Real Estate: Delegated Authorities Framework & Transition Plan", adopted by City of Toronto Council on October 2, 3 and 4, 2017, as amended, DAF Tracking No. 2019-018, authority was granted on August 20, 2019 to enter into an amendment to the agreement of purchase and sale to correct the said clerical error and to close the transaction by entering into a conditional agreement of purchase and sale instead of a buy-back option. A copy of the decision is located here:
https://www.toronto.ca/wp-content/uploads/2019/08/87e8-2019-018_300-308-Queen-St-W.pdf

COMMENTS

This report concerns legal fees billed by external counsel to provide the following legal services:

(a) review letter of intent / letter of understanding regarding the acquisition;
(b) search title for the Property;
(c) prepare draft agreement of purchase and sale;
(d) negotiate and finalize agreement of purchase and sale;
(e) prepare draft conditional agreement of purchase and sale to replace buy-back option in original agreement and sale;
(f) negotiate and finalize conditional agreement of purchase and sale;
(g) prepare draft reciprocal operating agreement with owner of above-grade lands;
(h) prepare draft construction procedures agreement;
(i) prepare tri-partite agreement with lender of owner of above-grade lands;
(j) review and prepare construction security;
(k) arrange for appropriate boundary re-adjustment conveyancing;
(l) revise and finalize reciprocal operating agreement based on as-built construction.

In its decision of May 28, 2014, TPA Board of Directors approved a fee of $50,000 to retain legal counsel in connection with this work.

In its decision of March 22, 2016, TPA Board of Directors approved $450,000 in other transaction related ancillary costs.

The balance of the comments contain advice that is subject to solicitor client privilege, and is contained in the confidential attachment.

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SIGNATURE

Wendy Walberg
City Solicitor

W. Scott Collier
President

ATTACHMENTS

Confidential Attachment 1 - Transaction Expenses - 300 Queen Street West