

Transfer of Strata Property to Build Toronto - 1978-2002 Lake Shore Boulevard West

Date: June 17, 2022

To: General Government and Licencing Committee

From: Executive Director, Corporate Real Estate Management

Wards: 4 – Parkdale-High Park

SUMMARY

The purpose of this report is to seek authority for the transfer of an additional strata portion of City property municipally known as part of 1978-2002 Lake Shore Boulevard West (the "Property") to CreateTO's corporate entity, Build Toronto Inc. ("B.T.I."). In July 2013, City Council approved the transfer of the Property to B.T.I. This initial transfer was capped at a height of 65 metres above ground on the site known as 1978-2002 Lake Shore Boulevard West and those lands were sold to a developer.

As result of certain changes to the proposed built form of the development, CreateTO, on behalf of B.T.I., has requested that additional strata, from the point of 65 metres above grade to a point of 122 metres above grade of the Property (the "Additional Strata"), be conveyed to B.T.I. and subsequently conveyed by it for development purposes.

It is also appropriate that this City staff report and the transmitted CreateTO Board report respecting this matter be considered jointly by City Council.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management recommends that:

1. City Council grant authority to the Executive Director, Corporate Real Estate Management, to enter into an agreement to transfer a stratified portion of the property municipally known as 1978-2002 Lake Shore Boulevard West shown as Part A on Appendix 1 limited to 122 metres above-grade, including any agreements related thereto (the "Property"), to CreateTO's corporate entity known as Build Toronto Inc. (the "Corporation") substantially on the terms and conditions set out in Appendix 2 and such

other and amended terms and conditions that are acceptable to the Executive Director, Corporate Real Estate Management and in a form satisfactory to the City Solicitor.

2. City Council grant authority to fund any outstanding City expenses related to the transfer of the Property to the Corporation from the Approved Operating Budget for Corporate Real Estate Management ("CREM"), and once such expenses are known, to transfer the funding for these expenses from the Land Acquisition Reserve Fund ("LARF") (XR1012) with the appropriate adjustment to the Approved Operating Budget for CREM.

3. City Council authorize severally each of the Executive Director, Corporate Real Estate Management, and Director, Transactions Services to execute the documents required to complete the transfer transaction.

FINANCIAL IMPACT

The Additional Strata will be transferred to B.T.I. at a nominal consideration.

B.T.I. will not have revenues available to cover possible expenses of effecting the transfer, such as registration charges, survey fees, appraisal fees, etc.

As such, any costs related to the transfer of the Additional Strata will be accommodated within the 2022 Council Approved Operating Budget for Corporate Real Estate Management (CREM) to be reimbursed from the Land Acquisition Reserve Fund ("LARF") (XR1012) once these costs are known.

Estimated additional revenues from the sale of the Additional Strata are described in the transmitted CreateTO Board report respecting this matter.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

On May 17, 2011, City Council adopted GM3.21, entitled "Transfer of Properties to Build Toronto and Declaration of Surplus - Second Quarter 2011, and approved the transfer of the property municipally known as 1978 Lakeshore Boulevard West and a portion of 2000 Lakeshore Boulevard, to Build Toronto with the method of disposal to be way of sale.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.GM3.21>

On April 3, 2013, City Council adopted item GM20.6, "Property Transfers to Build Toronto – Enhanced Process" from the Chief Corporate Officer that directed the Chief Corporate Officer to implement an enhanced process for property transfers to Build Toronto to augment the declared surplus and disposal process.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM20.6>

On July 16, 2013, City Council adopted GM23.8, entitled "Transfer of Properties to Build Toronto - Second Quarter 2014" and approved the transfer of a stratified portion of the property municipally know as part of 2000 and 2002 Lakeshore Boulevard West to Build Toronto and that the previous transfer of 1978 Lakeshore Boulevard West and part of 2000 Lakeshore Boulevard West be amended to provide that only a stratified portion of 1978 Lakeshore and a part of 2000 Lakeshore Boulevard West, limited to 65 meters, be transferred to Build Toronto.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM23.8>

On May 23, 2017, the Board of Directors, Build Toronto, authorized Management to enter into a purchase and sale agreement for the sale of lands at 1978-2002 Lakeshore Blvd West to MS Reality Limited, based on the terms and conditions contained in the confidential Property Sale Submission Memorandum, subject to:

- 65-meter strata on the property; and
- A commitment to provide a minimum of 10% of the total units as Affordable Home Ownership Units.

On May 17, 2017, the Agreement of Purchase and Sale was executed and on December 5, 2017, the transaction closed.

COMMENTS

Following extensive discussions with the local councillor, the community, City Planning and CreateTO, the proposed development on the Property has been amended and the existing strata limits constrain the advancement of the development. CreateTO, on behalf of B.T.I., has requested the Additional Strata be transferred to B.T.I. to facilitate the necessary amendments to the related sale and development agreements for the Property.

City Staff are content to transfer the Additional Strata to B.T.I., consistent with the initial transfer of the Property in 2013, for eventual sale to a developer.

CONTACT

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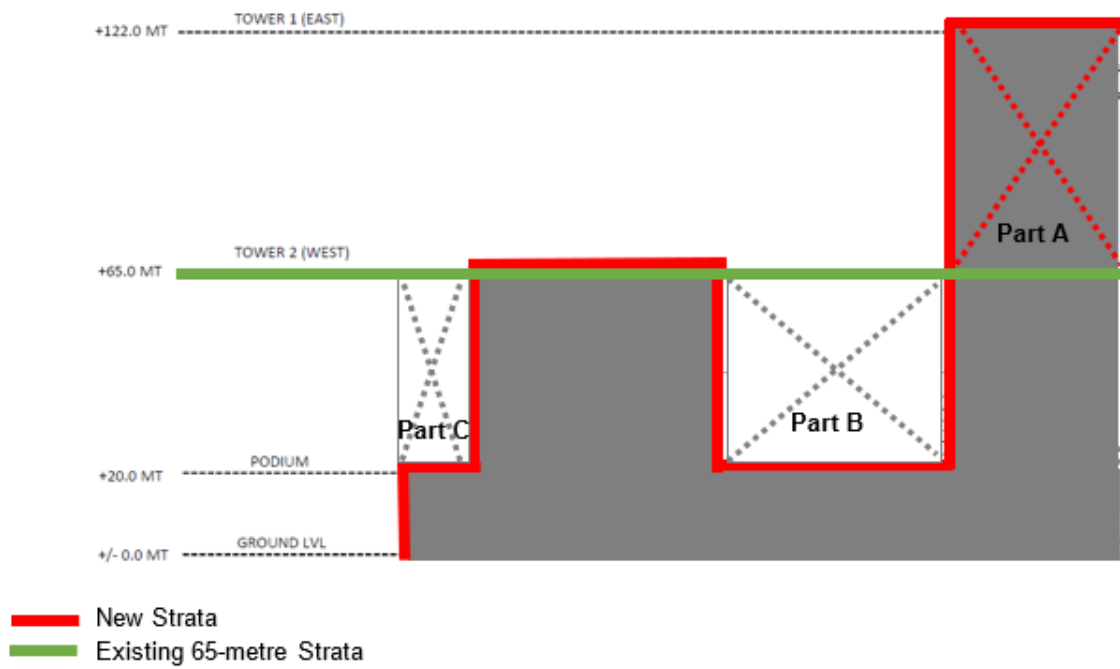
SIGNATURE

Patrick Matozzo
Executive Director, Corporate Real Estate Management

ATTACHMENTS

Appendix 1 - Sketch of Property described as Part A
Appendix 2 - Terms and Conditions of Transfer

Appendix 1 - Sketch of Property described as Part A



Appendix 2 - Terms and Conditions of Transfer

1. Closing on such date as the parties may agree.
2. Property to be transferred "as is" for nominal consideration, with CreateTO's corporate entity, Build Toronto Inc. (the "Corporation") to assume and be responsible for any and all liabilities arising from or connected with the state, quality, matter of condition of the Property, whether known or not known, include, but not limited to, any expense or costs incurred in connection with or relating to the environmental condition of the Property.
3. The Corporation will be responsible for all costs associated with the development.
4. The Corporation will pay any applicable Land Transfer Tax, HST, registration charges that would normally be for the account of the purchaser in a transaction of purchase and sale and other taxes and costs.
5. The Corporation will provide such usual closing documents as the City may require.
6. The City makes no representations about permitted use, Zoning, Official Plan designation or any similar matter.
7. The Corporation will obtain from any purchaser or tenant of the Property an agreement releasing the Corporation and the City from any liability for environmental contamination, and indemnity in favour of Build Toronto and the City in respect of claims arising on the basis of environmental contamination.
8. Nothing in the transfer agreement will interfere with the exercise by the City of all of its rights as a municipality or prejudice the City in carrying out its statutory rights and responsibilities including planning rights and responsibilities.
9. No dealings between the City and the Corporation as parties to the transfer agreement will relieve the Corporation from the responsibility of discharging its obligations imposed by any shareholder direction, statute, regulation, by-law or in any other lawful manner.
10. The Corporation will consult with the local councillor in planning the development of the Property.
11. Any compensation to be paid to the City in consequence of the eventual sale of the Property shall be determined by the Deputy City Manager, Corporate Services who may consult with the Chief Financial Officer of the Corporation/CreateTO.
12. Such other and amended terms and conditions as may be approved by the Executive Director and in a form satisfactory to the City Solicitor.