

**DELEGATED APPROVAL FORM  
CITY MANAGER  
DEPUTY CITY MANAGER & CHIEF FINANCIAL OFFICER**

TRACKING NO.: 2016-126

Approved pursuant to the Delegated Authority contained in Executive Committee Item EX43.7 entitled "Delegation of Authority in Certain Real Estate Matters" adopted by City Council on May 11 and 12, 2010. City Council confirmatory By-law No. 532-2010, enacted on May 12, 2010.

Prepared By:	Marie Casista / Greg Blyskosz	Division:	Toronto Parking Authority
Date Prepared:	June 3, 2016	Phone No.:	(416) 393-7295 / (416) 393-7267

**Purpose**  
To obtain authority to complete the purchase and sale transaction of the municipal carpark located on part of City-owned 22 John Street and part of City-owned 2 Elsmere Avenue, former City of York (the "Property") by Toronto Parking Authority ("TPA") to 22 John Street Developments Inc. (the "Purchaser / Developer"). The transaction involves the sale of the Property and construction by the Developer of a mixed-use project including: (i) Affordable Live/work Units and a Community/Cultural Hub at 33 King Street, the adjacent property to the northwest; (ii) improvements to the Weston Farmer's Market/Outdoor Community space located on the north portion of 22 John Street, to be retained in City ownership; and (iii) a municipal parking facility containing a minimum of 70 spaces to be built to TPA specifications on part of City-owned 14 John Street and part of City-owned 2 Elsmere Avenue.

**Property**  
**Part of 22 John Street:** Part of Lot 14, Plan 38, Weston; Part of Lot 12-13, 15-17, Plan 38, Weston as in TW14945, as in TW18187; Toronto (York), City of Toronto; shown as Part 3 on Sketch No. PS-2014-092 attached as Schedule "A"; and

**Part of 2 Elsmere Avenue:** Part of Parcel 6-6 Section Y10; Part of Lot 6, Concession 5, West of Yonge St, York, Parts 2 & 3 on 66R7633; Toronto, City of Toronto; shown as Part 4 on Sketch No. PS-2014-092 (the "Property").

- Actions**
1. Authority be granted to complete the purchase and sale transaction between the Toronto Parking Authority and 22 John Street Developments Inc. for the sale of the development rights and the construction of a public parking facility on adjacent City owned lands, as outlined in the body of this report and detailed under *Terms*;
  2. The appropriate City Officials be authorized to execute all necessary documents including but not limited to a Construction Procedures Agreement and Reciprocal Cost Sharing Agreement along with all necessary transfers and undertakings;
  3. The City Solicitor be authorized to complete the transaction(s) on behalf of the City and the Toronto Parking Authority, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms and conditions as she considers reasonable; and
  4. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

**Financial Impact**  
The TPA will not incur any expenditure in 2016 pertaining to the sale of development rights for Carpark 650, located at 22 John Street, to a private developer. The consideration on the sale is \$2.205 million and is comprised of a purchase price of \$2.250 million plus a bonus density payment of \$0.305 million for a total of \$2.555 million. The consideration is further reduced by \$0.350 million as an adjustment on account of the costs of a 70 space municipal parking facility to be constructed on the adjacent City-owned lands at 14 John Street and part of 2 Elsmere Avenue by the Developer.

The Developer has commenced construction of the public parking facility at 14 John Street and on part of 2 Elsmere Avenue, with turnover to take place on closing of the transaction scheduled for July 5, 2016. The Toronto Parking Authority will not have any additional costs associated with this transaction.

The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.

**Comments / Terms** ***Background***  
Carpark 650, located just north of the Lawrence Avenue West and Weston Road intersection, contains a 190 space surface parking facility. This carpark serves multiple purposes including the parking needs of local businesses within the Weston BIA neighbourhood, GO transit commuters, and supports the Weston Village Farmer's Market which is held on Saturdays from May to October. The relocation of the Weston GO Train station and the Weston Area Redevelopment Initiative will reduce the need for transient parking at Carpark 650.  
Continued on Page 4

**Property Details**

<b>Ward:</b>	11 – York South-Weston	11 – York South-Weston
<b>Assessment Roll No.:</b>	Part of 1914-06-4-220-00200 ( 22 John St)	Part of 1914-06-4-220-02000 (2 Elsmere Ave)
<b>Approximate Size:</b>	63.70 m x 74.70 m ± (209.0 ft x 245.1 ft ±)	19.50 m x 17.72 m ± (64.0 ft x 58.1 ft ±)
<b>Approximate Area:</b>	4,758.6 m <sup>2</sup> ± (51,221.14 ft <sup>2</sup> ±)	345.6 m <sup>2</sup> ± (3,720.00 ft <sup>2</sup> ±)
<b>Other Information:</b>	The proposal will involve the sale of the Property and the construction by the Developer of a municipal parking facility containing a minimum of 70 spaces to be built to TPA specifications.	

A.	Deputy City Manager & Chief Financial Officer has approval authority for:	City Manager has approval authority for:
<p>1. Acquisitions:</p> <p>2. Expropriations:</p> <p>3. Issuance of RFPs/REOIs:</p> <p>4. Permanent Highway Closures:</p> <p>5. Transfer of Operational Management to ABCDs:</p> <p>6. Limiting Distance Agreements:</p> <p>7. Disposals (including Leases of 21 years or more):</p> <p>8. Exchange of land in Green Space System &amp; Parks &amp; Open Space Areas of Official Plan: N/A</p> <p>9. Leases/Licences (City as Landlord/Licensor):</p> <p>10. Leases/Licences (City as Tenant/Licensee):</p> <p>11. Easements (City as Grantor):</p> <p>12. Easements (City as Grantee):</p> <p>13. Revisions to Council Decisions in Real Estate Matters:</p> <p>14. Miscellaneous:</p> <p>(a) Approvals, Consents, Notices and Assignments under all Leases/Licences;</p> <p>(b) Releases/Discharges;</p> <p>l Surrenders/Abandonments;</p> <p>(d) Enforcements/Terminations;</p> <p>(e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates;</p> <p>(f) Objections/Waivers/Cautions;</p> <p>(g) Notices of Lease and Sublease;</p> <p>(h) Consent to regulatory applications by City, as owner;</p> <p>(i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title;</p> <p>(j) Documentation relating to Land Titles applications;</p> <p>(k) Correcting/Quit Claim Transfer/Deeds.</p>	<p><input checked="" type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p><b>Delegated to a less senior position.</b></p> <p><b>Delegated to a less senior position.</b></p> <p><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input checked="" type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million;</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding twelve (12) months, including licences for environmental assessments and/or testing, etc.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and may include increase not to exceed the amount of the original decision by the lesser of 10 per cent and \$3 Million).</p> <p><b>Delegated to a less senior position.</b></p>	<p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 Million.</p> <p><b>Delegated to a less senior position.</b></p> <p><b>Delegated to a less senior position.</b></p> <p><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million;</p> <p><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and may include increase not to exceed the amount of the original decision by the lesser of 10 per cent and \$5 Million).</p> <p><b>Delegated to a less senior position.</b></p>

B. City Manager and Deputy Manager & Chief Financial Officer each has signing authority on behalf of the City for:
<p><input checked="" type="checkbox"/> Documents required to implement the delegated approval exercised by him.</p>

Consultation with Councillor(s)									
Councillor:	Francis Nunziata					Councillor:			
Contact Name:						Contact Name:			
Contacted by:	X	Phone	X	E-Mail		Memo		Other	
Comments:	No objections					Comments:			
Consultation with ABCDs									
Division:						Division:	Financial Planning		
Contact Name:						Contact Name:	Maria Djergovic		
Comments:						Comments:	Comments have been incorporated		
Legal Division Contact									
Contact Name:	Soo Kim Lee								

DAF Tracking No.: 2016-126	Date	Signature
Recommended by: Manager	June 6, 2016	Melanie Hale-Carter (for Manager)
Recommended by: Director of Real Estate Services	June 13, 2016	Joe Casali
Recommended by: Chief Corporate Officer	June 14, 2016	Josie Scioli
Approved by: Deputy City Manager & Chief Financial Officer Roberto Rossini	June 20, 2016	Roberto Rossini
Approved by: City Manager Peter Wallace		

#### General Conditions ("GC")

- (a) The local Councillor (or local Councillors if the subject property is located on a ward boundary or if the transaction involves an exchange of properties in more than one ward), will be consulted prior to the exercise of delegated Approving Authority by staff for all Acquisitions, Disposals, Land Exchanges and Leases.
- (b) Where approving power has been delegated to staff, the Chief Corporate Officer, in consultation with the applicable Deputy City Manager or the City Manager, may determine that such matter is of such special interest that same should be returned to the relevant Committee and Council for consideration and determination.
- (c) Exercise of delegated authority is subject to all applicable Council policies, statutes or other applicable law.
- (d) Authority to approve financial commitments/expenditures is subject to all amounts being available in an approved budget [or funding is available from alternative sources].
- (e) Property interests are to be based on appraised value, and no interest shall be granted at less than market value unless otherwise specifically authorized.
- (f) Authority to approve transactions at less than market value is subject to statutory anti-bonusing provisions.
- (g) Total compensation means the aggregate of all types of payments, including land value, estimated clean-up costs, potential arbitration awards, loss claims, etc, but exclusive of any applicable taxes and registration costs.
- (h) Authority to acquire property is conditional upon provision being made to bring the property into compliance with applicable MOE or other requirements such that it will be fit for its intended municipal purpose.
- (i) Authority to initiate the permanent road closure process in **A.4** is conditional upon confirmation by the GM of Transportation Services that it is feasible to permanently close the highway.
- (j) Disposal authorities in **A.7** are subject to the property having been declared surplus, and the disposal policy complied with.
- (k) Land exchanges, except for those in **A.8**, may be authorized based on the delegated Approving Authority for Disposals in **A.7**.
- (l) Approving Authority with respect to land located in the Designated Waterfront Area is conditional upon the approval of the Director, Waterfront Secretariat.
- (m) Authority to approve an exchange of land in **A.8** is conditional upon confirmation by the Chief Planner and Executive Director, and the GM of Parks, Forestry & Recreation, that the land being exchanged is (i) nearby land of equivalent or larger area, and (ii) of comparable or superior green space utility.
- (n) Approving Authority in leasing matters (**A.9** and **A.10**) is limited to periods (including options/renewals) of less than twenty-one (21) years.
- (o) Total compensation in leasing matters where the City is landlord (**A.9**) includes the value of tenant improvements if factored into tenant's rental payments.
- (p) Total compensation in leasing matters where the City is the tenant (**A.10**) includes the value of any tenant improvements to be paid by the City.
- (q) Where options/renewals are included in leases, if the renewal rent is to be determined at a date later than the original approval date, total compensation is to be calculated as though all options are exercised, estimating the renewal rent based on the highest rent payable in the first term of the lease.
- (r) Total compensation in leasing matters where the City is landlord (**A.9**) or tenant (**A.10**) is to be calculated from the date of approval pursuant to this delegation (ie. first allowing for the expiry of any prior approvals, whether by Council or a delegated authority).
- (s) Approving Authority in leasing matters includes authority to approve renewals/extensions within the parameters of the delegated Approving Authority.
- (t) Approving Authority includes authority for amendments within the parameters of the delegated Approving Authority, the cumulative total of which may not exceed the delegated financial limit.
- (u) Where proposed additional amounts in **A.13** exceed 10 per cent of the original decision, even if otherwise in compliance with all other conditions, then approving authority is transferred upwards to the next more senior level of approving authority having the relevant overall financial limit.
- (v) Approving Authority includes authority for all documents necessary to implement the authority, on terms and conditions satisfactory to the Approving Authority, in consultation with the relevant operating Division(s).
- (w) Staff positions referred to in this delegation include successors from time to time.
- (x) Documents are to be in a form satisfactory to the City Solicitor (including indemnity and insurance provisions).
- (y) Delegated signing authorities in **B** are conditional upon the documents having received the City Solicitor's prior "Approval as to Form".
- (z) This delegation does not affect sales, acquisitions and leases over which the Affordable Housing Committee has responsibility.
- (aa) Authority to use land acquired by the City for parking purposes by the Toronto Parking Authority is conditional upon Council enacting a by-law designating such use.

## Decision History

At its meeting of April 25, 2012, the TPA Board approved retaining Lennard Commercial Realty to list and obtain development proposals for the Property (*TPA Board Minute No.: 12-069*). Responses to the RFP resulted in the selection of the Purchaser / Developer, a privately held organization that has been developing real estate in the GTA for over 50 years. As part of its bid proposal, the Developer partnered with 2295477 Ontario Inc., the registered owner of adjacent lands northwest of the Property, comprising an existing high rise apartment building known municipally as 33 King Street. On August 9, 2013, an agreement of purchase and sale (“PSA”) was executed between the TPA and the Purchaser.

At its meeting of December 16, 17 and 18, 2013, Council adopted Item GM26.17 in which proceeds from the sale of the Property be held in the Community Development Reserve Fund (XR3100) to support the redevelopment of the surface parking lot at the property which includes a residential component, replacement municipal parking facility, a Farmer’s Market and a Cultural Hub. *Detailed in a report from the Chief Corporate Officer and President, Toronto Parking Authority - Sale of Part of 22 John Street, Grant of Permanent Easement for Part of 53 Strachan Avenue, and Real Estate Acquisition and Expropriation of 14 John Street dated October 31, 2013.*  
<http://www.toronto.ca/legdocs/mmis/2013/gm/bgrrd/backgroundfile-63544.pdf>

At its meeting of May 28, 2014, the TPA Board approved the terms and conditions of the PSA between the TPA and the Purchaser (*TPA Board Minute No.: 14-077*). The agreement contains conditions in favour of the TPA and the Purchaser which the parties are working to satisfy, one of which is obtaining City approval of the transaction. A summary of the terms and conditions of the PSA are detailed herein under *Terms*.

In accordance with the City’s Real Estate Disposal by-law, No. 814-2007, the Property was declared surplus on December 2, 2014 [*DAF Tracking No.: 2014-280*] with the intended manner of sale being a sale to the Purchaser. All steps necessary to comply with the City’s real estate disposal process as set out in Chapter 213 of the City of Toronto Municipal Code have been complied with.

At its meeting of March 31, April 1, and 2, 2015, Council adopted Item EX4.6, approving the preliminary funding model and authorized the negotiation of the agreements and security required to proceed with the Live/Work Units, the Community/Cultural Hub and Open Space Area that will form part of the project. *Detailed in a report from the Director, Affordable Housing Office and the General Manager, Economic Development and Culture - The Weston Community/Cultural Hub: Next Steps dated March 11, 2015.*  
<http://www.toronto.ca/legdocs/mmis/2015/ex/bgrrd/backgroundfile-77951.pdf>

At its meeting of May 28, 2015, the TPA Board approved an amendment to the terms and conditions of the PSA between the TPA and the Purchaser (*TPA Board Minute No.: 14-077*).

At its meeting of December 9 and 10, 2015, Council adopted both Items EX10.6 and EY10.1 together. Item EX10.6 approved the final funding model and related agreements including the security required to proceed with the Live/Work Units, Community/Cultural Hub and Open Space Area that will form part of the project. *Detailed in a report from the Deputy City Manager Cluster A, the Deputy City Manager Cluster B, and the Deputy City Manager & Chief Financial Officer - The Weston Community/Cultural Hub: Final Funding Report dated November 17, 2015* (<http://www.toronto.ca/legdocs/mmis/2015/ex/bgrrd/backgroundfile-85979.pdf>). Item EY10.1 approved planning matters, including timing for delivery of Letter of Credit security by the Developer to the City. *Detailed in a supplementary report from the Director, Community Planning, Etobicoke York District – 22 John Street, 33 King Street and 2 Elsmere Avenue (The Weston Community Cultural Hub) – Official Plan Amendment and Zoning By-law Amendment Application – Supplementary Report dated November 6, 2015.*  
<http://www.toronto.ca/legdocs/mmis/2015/ey/bgrrd/backgroundfile-85606.pdf>

## Site Location and Particulars

The Carpark is an irregular shaped parcel of land containing approximately 5,100 square meters (55,000 square feet) that accommodates a total of 190 parking spaces. This Carpark located north of Lawrence Avenue on John Street is comprised of two separate adjoining land parcels, 22 John Street and 2 Elsmere Avenue. The development of the Property originally contemplated locating all the required components on the Property or partly on the adjacent property located to the northwest at 33 King Street. The construction of a Pedestrian Walkway/Bridge by Metrolinx at the northern portion of the Property reduced the useable land for the project. In order to include all project components in the development, it was necessary to expropriate the land adjacent to the southern portion of the Property, municipally known as 14 John Street. The City became the owner of 14 John Street by an Expropriation Plan registered on July 23, 2015.

## Redevelopment

The TPA’s objective is to sell the development rights for the Property and retain ownership of a minimum of 70 parking spaces to be built in accordance with TPA specifications. The reduction in parking space demand from 190 spaces to 70 spaces is the result of the relocation of the GO commuter station.

The project scope and development plans include the following components:

- New purpose built 325 unit, market rental apartment building comprising one tower of approximately 30 storeys, stepping to a 6 storey and 4 storey mid-rise building towards John Street. Parking for the residential units is located at the underutilized parking garage located at 33 King Street;
- 26 rental Live/Work Affordable units located in the existing Live built (but never used) space located at 33 King Street;
- Community/Cultural Hub of approximately 800 square meters (8,611 square feet) located in existing ground floor space (but never built out) at 33 King Street;
- Outdoor community space of approximately 1,150 square meters (12,378 square feet) to accommodate community uses including Cultural Hub activities and the Weston Farmers’ Market; and
- 70 surface parking spaces for use as a municipal parking facility on expropriated lands located to the south of the Property at 14 John Street and part of City-owned lands at 2 Elsmere Avenue.

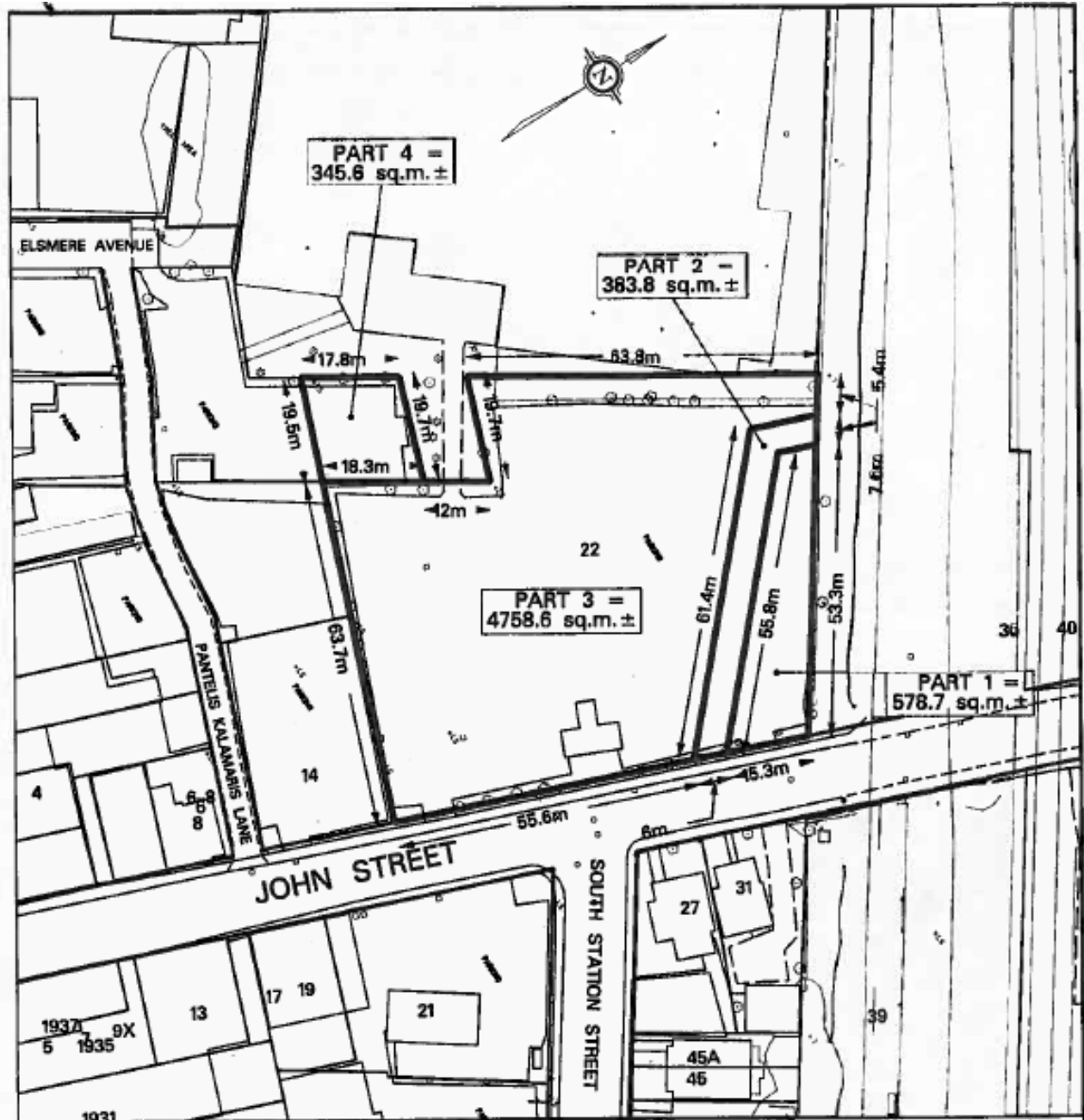
**Terms:**

Summarized below are the amended terms and conditions to the PSA dated July 31, 2013 between TPA and 22 John Street Developments Inc.:

1. The total Purchase Price remains the same at \$2,250,000 plus bonus density of \$304,552 (excess density of 45,119 square feet @ \$6.75 per square foot) for a total of \$2,554,552.
2. The net proceeds of sale in Item 1 above have been reduced by \$350,000 as an adjustment on account of the Public Parking Facility consideration. The contractual amount TPA would pay for the delivery of 70 surface parking spaces built to TPA's specifications remains the same.
3. As detailed in EX10.6 (*The Weston Community/Cultural Hub: Final Funding Report dated November 17, 2015*) and EY10.1 (*Supplementary Planning Report dated November 6, 2015*), adopted by City Council on December 9 and 10, 2015, and the Section 37 Agreement negotiated by City staff, on the closing date of the sale transaction, the Developer shall deliver to the City, an irrevocable and unconditional Letter of Credit ("LC") from a Canadian Chartered Bank to secure the value of the Property, instead of payment by bank draft, certified cheque or electronic funds transfer. The amount of the LC has been calculated at \$2,119,552, subject to any usual adjustments. Prior to issuance of the first above-grade building permit for the development, the Developer shall provide a further Letter of Credit to secure the Developer's obligations, including construction of the Live/Work Units, Community/Cultural Hub and improvements to the Farmer's Market/Outdoor Community space.
4. The transaction closing date has been extended to take place within 15 days from the date the Developer confirms building permits are available but in any event closing must occur prior to July 31, 2017.
5. At the commencement of construction, the Developer is still required to secure its obligations to construct a 70 space surface parking lot by securing a letter of credit for 120% of the anticipated cost of the parking lot but is no longer required to post a letter of credit to guarantee construction of the Community/Cultural Hub. (refer to *Item 3* above.)
6. Purchaser Conditions contemplated in the original PSA have been replaced with the following Conditions which must be waived or satisfied by the Purchaser before closing the transaction:
  - a. Satisfactory results of an environmental Risk Assessment ("RA") and a Record of Site Condition ("RSC") filed and accepted by the Ministry of Environment ("MOE") for the Property. In the event remediation is required in excess of the remediation standards for the Open Space Area which require (i) removal and replacement of the hard cap in excess of 225 mm and/or (ii) remediation of soils in landscaped areas in excess of 1 meter, these costs will be funded from the Community/Cultural Hub budget;
  - b. Residential Rental Complex zoned in Final Form;
  - c. Federal/provincial affordable housing funding is available for the construction of the Live/Work component in an amount not less than \$3,510,000;
  - d. Satisfactory negotiation of a Lease with the 33 King property owner to permit construction of the Community/Cultural Hub on the 33 King Lands and occupation of these premises by Artscape; and
  - e. Satisfactory negotiations of a Lease that include suitable arrangements have been made with Artscape for the design and utilization of the Community/Cultural Hub.
7. Vendor Conditions as contemplated in the original PSA have been replaced as follows. Timing for these conditions has not been finalized but the Developer requests that all but point 'c' below are satisfied or waived prior to their submission of their Development Plan application in June 2015:
  - a. Approval by the Board of Directors of TPA [acknowledged complete];
  - b. The property being declared surplus by the City in accordance with Section 193 of the Municipal Act [acknowledged complete];
  - c. Approval by City Council of the terms of the PSA and amended PSA;
  - d. Issuance of Staff Report to the City recommending approval of the expropriation of 14 John Street [acknowledged complete];
  - e. Review and approve current plans and design drawings for the 70 space surface parking lot (the "Public Parking Facility") within 15 days of receipt; and
  - f. Review and approval of the beneficial ownership structure of the Purchaser [acknowledged complete].

# APPENDIX "A"

## Sketch No. PS-2014-092



**NOTE:**  
THIS SKETCH HAS BEEN COMPILED FROM OFFICE RECORDS. MEASUREMENTS ARE APPROXIMATE

CHECK BY JOHN HOUSE  
PREPARED BY: DWAYNE PITT

**PROPERTY INFORMATION SHEET**

**SKETCH SHOWING PORTIONS OF CITY OWNED LANDS  
AT NO. 22 JOHN STREET (PARTS 1, 2 AND 3)  
AND NO.2 ELSMERE AVENUE (PART 4)**

WARD 11 - YORK SOUTH-WESTON  
DATE: JULY 29, 2014

**SKETCH No. PS-2014-092**