

DELEGATED APPROVAL FORM
DEPUTY CITY MANAGER, CORPORATE SERVICES
EXECUTIVE DIRECTOR, CORPORATE REAL ESTATE MANAGEMENT

TRACKING NO.: 2024-171

Approved pursuant to the Delegated Authority contained in Article 2 of City of Toronto Municipal Code Chapter 213, Real Property

Prepared By:	Myron Menezes	Division:	Corporate Real Estate Management										
Date Prepared:	June 26, 2024	Phone No.:	416-338-3586										
Purpose	To obtain authority to postpone the City's existing and restated \$50,000 third mortgage to the increased financing of Pem (Yorkville) Holdings Inc. (the "Developer") from Toronto-Dominion Bank ("TD") for the Developer's project at 33 Yorkville Avenue (comprising 27-29 Yorkville Ave., 26-30 Cumberland Street, the adjacent laneway and the upper strata portion of 37 Yorkville Ave./50 Cumberland St.), City of Toronto.												
Property	The properties owned by the Developer, municipally known as 27-29 Yorkville Ave., 26-30 Cumberland St., the adjacent laneway, and the upper strata portion of 37 Yorkville Avenue / 50 Cumberland Street (See Appendix 1).												
Actions	1. Authority be granted to postpone the City's existing and restated third mortgage in the principal amount of \$50,000 to increased first mortgage security from the Developer to TD, as security agent for and on behalf of TD, The Bank of Nova Scotia, Royal Bank of Canada, and Desjardins Financial Security Life Insurance Company, in the principal amount of \$950,000,000 on the major terms and conditions set out herein, and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.												
Financial Impact	There are no financial implications.												
Comments	<p>GM11.13 – March 2012 authorized the sale of the upper strata portion of City-owned 50 Cumberland Street / 37 Yorkville Avenue to MK 37 Yorkville Inc. ("MK") on December 18, 2015, with the purchaser required to construct a replacement public parking garage of not less than 800 spaces (the "Replacement Garage") within the lower strata portion retained in City ownership, to be operated by Toronto Parking Authority (the "TPA Agreements"). The TPA Agreements provide for construction security (letter of credit and performance bond) held by TPA for the Replacement Garage, and the \$50,000 third mortgage in favor of the City.</p> <p>As part of the sale of the upper strata portion and adjacent lands by MK to Cresford Corporation, DAF 2017-333 authorized assignment of the TPA Agreements from MK to Cresford. In 2020, the City was notified of Cresford's insolvency. GL17.12 – November 2020 and DAF 2021-049 authorized a TPA consent agreement dated January 29, 2021 in which PEM (Yorkville) Holding Inc. and PEM (Yorkville) LP, as purchaser from Cresford's Receiver assumed the TPA Agreements. In addition to the TPA consent, TPA executed a Lender Agreement with TD, and the City's third mortgage was postponed to first mortgage financing in favour of TD in the principal amount of \$300,000,000. Construction is progressing and the Developer has secured increased financing from TD as security agent in the principal amount of \$950,000,000. The TPA Agreements provide that TPA act reasonably re consent to Developer construction financing. TPA will enter into an updated Lender Agreement with TD, similar to the 2021 version, which provides that if Developer in default: (i) TD can elect to sell Developer's property, with the purchaser assuming the obligation to construct the Replacement Garage; or (ii) TD can elect to assume obligation of the Developer to construct the Replacement Garage. The Lender Agreement also provides that if Developer in default, TPA can draw on the letter of credit to construct the Replacement Garage.</p>												
Terms	Staff consider the request for postponement to be reasonable.												
Property Details	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Ward:</td> <td>11 – University-Rosedale</td> </tr> <tr> <td>Assessment Roll No.:</td> <td>N/A</td> </tr> <tr> <td>Approximate Size:</td> <td></td> </tr> <tr> <td>Approximate Area:</td> <td>N/A</td> </tr> <tr> <td>Other Information:</td> <td></td> </tr> </table>			Ward:	11 – University-Rosedale	Assessment Roll No.:	N/A	Approximate Size:		Approximate Area:	N/A	Other Information:	
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Approximate Area:	N/A												
Other Information:													

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate Services has approval authority for:
<p>1. Acquisitions:</p> <p>2A. Expropriations Where City is Expropriating Authority:</p> <p>2B. Expropriations For Transit-Related Purposes Where City is Property Owner or Has Interest in Property Being Expropriated:</p> <p>3. Issuance of RFPs/REOs:</p> <p>4. Permanent Highway Closures:</p> <p>5. Transfer of Operational Management to Divisions, Agencies and Corporations:</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 & Parks & Open Space Areas of Official Plan:</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><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p>Request/waive hearings of necessity delegated to less senior positions.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 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>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).</p> <p><input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences</p> <p><input type="checkbox"/> (b) Releases/Discharges</p> <p><input type="checkbox"/> (c) Surrenders/Abandonments</p> <p><input type="checkbox"/> (d) Enforcements/Terminations</p> <p><input checked="" type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates</p> <p><input type="checkbox"/> (f) Objections/Waivers/Cautions</p> <p><input type="checkbox"/> (g) Notices of Lease and Sublease</p> <p><input type="checkbox"/> (h) Consent to regulatory applications by City, as owner</p> <p><input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title</p> <p><input type="checkbox"/> (j) Documentation relating to Land Titles applications</p> <p><input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds</p>	<p><input 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><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p>Request/waive hearings of necessity delegated to less senior positions.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</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"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.</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"/> (c) Where compensation is less than market value, provided tenant and lease satisfy Community Space Tenancy Policy criteria set out in Item EX28.8, as adopted by Council on November 7, 8 and 9, 2017, as amended from time to time.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.</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 subject to General Condition (U)).</p> <p><input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences</p> <p><input type="checkbox"/> (b) Releases/Discharges</p> <p><input type="checkbox"/> (c) Surrenders/Abandonments</p> <p><input type="checkbox"/> (d) Enforcements/Terminations</p> <p><input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates</p> <p><input type="checkbox"/> (f) Objections/Waivers/Cautions</p> <p><input type="checkbox"/> (g) Notices of Lease and Sublease</p> <p><input type="checkbox"/> (h) Consent to regulatory applications by City, as owner</p> <p><input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; 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B. Deputy City Manager, Corporate Services and Executive Director, Corporate Real Estate Management each has signing authority on behalf of the City for:

- Documents required to implement matters for which each position also has delegated approval authority.
- Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.
- Expropriation Applications and Notices following Council approval of expropriation.
- Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents.

Pre-Condition to Approval

☒ Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property

Consultation with Councillor(s)

Councillor:	Dianne Saxe	Councillor:	
Contact Name:	Andrew Greene	Contact Name:	
Contacted by:	<input type="checkbox"/> Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other	Contacted by:	<input type="checkbox"/> Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other
Comments:	No objections	Comments:	

Consultation with Divisions and/or Agencies

Division:	Toronto Parking Authority	Division:	Financial Planning
Contact Name:	Aviva Levy	Contact Name:	Ciro Tarantino
Comments:	Comments incorporated	Comments:	Comments incorporated

Legal Services Division Contact

Contact Name: **Soo Kim Lee – comments incorporated**

DAF Tracking No.: 2024-171

Signature

Recommended by: Manager, Real Estate Services
Niall Robertson

Signed by Niall Robertson on June 26, 2024

Recommended by: Director, Real Estate Services
Alison Folosea

Signed by Alison Folosea

☐ Recommended by: **Executive Director,
Corporate Real Estate Management**
☒ Approved by: **Patrick Matozzo**

Signed by Patrick Matozzo on July 5, 2024

Appendix "A"

The Property - 50 Cumberland Street/37 Yorkville Avenue

