



DELEGATED APPROVAL FORM
DIRECTOR, REAL ESTATE SERVICES
MANAGER, REAL ESTATE SERVICES

TRACKING NO.: 2025-052
with Confidential Attachment

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

Prepared By:	Blendian Stefani	Division:	Corporate Real Estate Management
Date Prepared:	March 11, 2025	Phone No.:	(416) 397-7481
Purpose	To obtain authority to amend Item 2016.CC12.13 which authorized the acquisition of two parcels of land west of Lower Sherbourne Street by the City in exchange for the conveyance of a vacant City-owned strip formerly used as a rail spur.		
Property	<p>(a) Part of 215 Lake Shore Boulevard East, Toronto, legally described as part of Block 13 on Registered Plan 694E, designated as Parts 5 and 6 on Plan 66R-32795; City of Toronto, being part of PIN 21384-0007 (LT), as approximately shown hatched in blue on the Location Map in Appendix "A" (the "North Sherbourne Lands"), and part of 178-180 Queens Quay East, Toronto, legally described as part of Block 13 on Registered Plan 694E, designated as Parts 5, 6 and 7 on Plan 66R-32887; City of Toronto, being part of PIN 21384-0008 (LT), as approximately shown hatched in orange on the Location Map in Appendix "A" (the "South Sherbourne Lands", and collectively, the "Sherbourne Triangle Lands"), and</p> <p>(b) City-owned strip running east-west between Richardson Street and Sherbourne Street, being part of Lot 13 on Registered Plan 694E, designated as Part 4 on Plan 64R-14668, being all of PIN 21384-0076 (LT), as approximately shown in pink on the Location Map in Appendix "A" (the "Rail Spur Lands")</p>		
Actions	<p>1. Authority be granted to make the amendments to the Council Decision set out in the chart attached as Appendix "B" and the Confidential Attachment.</p> <p>2. Authority be granted for the public release of the Confidential Attachment to this DAF once the City becomes the registered owner of all of the South Sherbourne Lands.</p>		
Financial Impact	<p>There is no material change from the initial/original Council decision, The City will receive net revenue in the approximate amount of \$3,144,000.00, subject to adjustment as set out in Appendix "B" (exclusive of HST and other applicable taxes, less closing costs and usual adjustments). The proceeds will be contributed to the Land Acquisition Reserve Fund (XR1012) upon closing of the transaction.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>At its meeting of February 3 and 4, 2016, City Council adopted Item CC12.13, including confidential instructions from the City Solicitor, dated January 28, 2016, regarding the settlement of appeals to the Central Waterfront Secondary Plan. A portion of the confidential attachment was made public on October 24, 2023, including authorization for the Director, Real Estate Services, to execute all necessary documents to finalize a land exchange with the owner of two development sites, referred to in the Council Decision as the "Fedex lands" or the "Fedex site". A triangular portion of the Fedex lands, abutting Lower Sherbourne Street, was to be conveyed to the City for future road realignment in exchange for the conveyance by the City of the Rail Spur Lands to the owner of the FedEx site, on the terms described in the report and in accordance with all applicable procedures for the acquisition and sale of land. Minutes of Settlement were subsequently entered into with Castlepoint Greybrook Inc. to reflect this arrangement, providing that the land exchange would be satisfied on the City's part by the grant of a licence over the Rail Spur Lands to enable construction of a new public east-west road to service the development sites, rather than a conveyance of fee simple ownership.</p> <p>The northerly portion of the Fedex lands at 215 Lake Shore Boulevard East were subsequently sold to Greenland Lakeside Development Company Limited, and ultimately to Pinnacle International (Lakeside) GP Inc. ("Pinnacle"), and the southerly portion of the FedEx lands at 178-180 Queens Quay East were sold to ROM-Grand Waterfront Ltd., and more recently, to Keyfront Limited ("Keyfront"). A number of changes to the original transaction structure have been requested by Pinnacle and are recommended in order to deal with the change in ownership of the FedEx lands (previously held under separate ownership but common control), the disparity in time frames for development of the north and south portions of the FedEx lands, and the difficulties inherent in negotiating terms for a threeparty land exchange. While adjustments to the mechanics of the arrangement are recommended to respond to these changes in circumstances, the updated arrangement will preserve the City's ability to obtain the Sherbourne Triangle Lands that it originally bargained for in exchange for providing the Rail Spur Lands (through a road construction licence, as further described in Appendix "B") to be incorporated into a new east-west road, which is consistent with the original intent of the transaction as authorized by City Council.</p> <p>Since this land is in the Designated Waterfront Area, as defined in the Toronto Waterfront Revitalization Corporation Act, 2002, the approval of the Director, Waterfront Secretariat has been obtained.</p>		
Terms	See Confidential Attachment and Appendix "B" for amended terms.		
Property Details	Ward:	10 – Spadina-Fort York	
	Assessment Roll No.:	19 04 064 020 004 00	
	Approximate Size:	5 m x 212 m ± (136 ft x 343 ft ±)	
	Approximate Area:	1,091 m ² ± (11,744 ft ² ±)	
	Other Information:	N/A	

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
2A. Expropriations Where City is Expropriating Authority:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.
2B. Expropriations For Transit-Related Purposes Where City is Property Owner or Has Interest in Property Being Expropriated:	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.
	<input type="checkbox"/> (b) Request Hearings of Necessity.	<input type="checkbox"/> (b) Request Hearings of Necessity.
	<input type="checkbox"/> (c) Waive Hearings of Necessity.	<input type="checkbox"/> (c) Waive Hearings of Necessity.
3. Issuance of RFPs/REOs:	Delegated to more senior positions.	<input type="checkbox"/> Issuance of RFPs/REOs.
4. Permanent Highway Closures:	Delegated to more senior positions.	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.
5. Transfer of Operational Management to Divisions, Agencies and Corporations:	Delegated to more senior positions.	Delegated to more senior positions.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	Delegated to more senior positions.	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.
9. Leases/Licences (City as Landlord/Licensor):	<input type="checkbox"/> (a) Where total compensation (including options/ renewals) does not exceed \$50,000.	<input type="checkbox"/> (a) Where total compensation (including options/ renewals) does not exceed \$1 Million.
	<input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding three (3) months, including licences for environmental assessments and/or testing, etc.	<input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding six (6) months, including licences for environmental assessments and/or testing, etc.
	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$50,000.	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$1 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million.
	Delegated to more senior positions.	<input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
13. Revisions to Council Decisions in Real Estate Matters:	Delegated to more senior positions.	<input checked="" type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).
14. Miscellaneous:	Delegated to more senior positions.	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences <input type="checkbox"/> (b) Releases/Discharges <input type="checkbox"/> (c) Surrenders/Abandonments <input type="checkbox"/> (d) Enforcements/Terminations <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/ Acknowledgements/Estoppel <input type="checkbox"/> (f) Objections/Waivers/Cautions <input type="checkbox"/> (g) Notices of Lease and Sublease <input type="checkbox"/> (h) Consent to regulatory applications by City, as owner <input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title <input type="checkbox"/> (j) Documentation relating to Land Titles applications <input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds

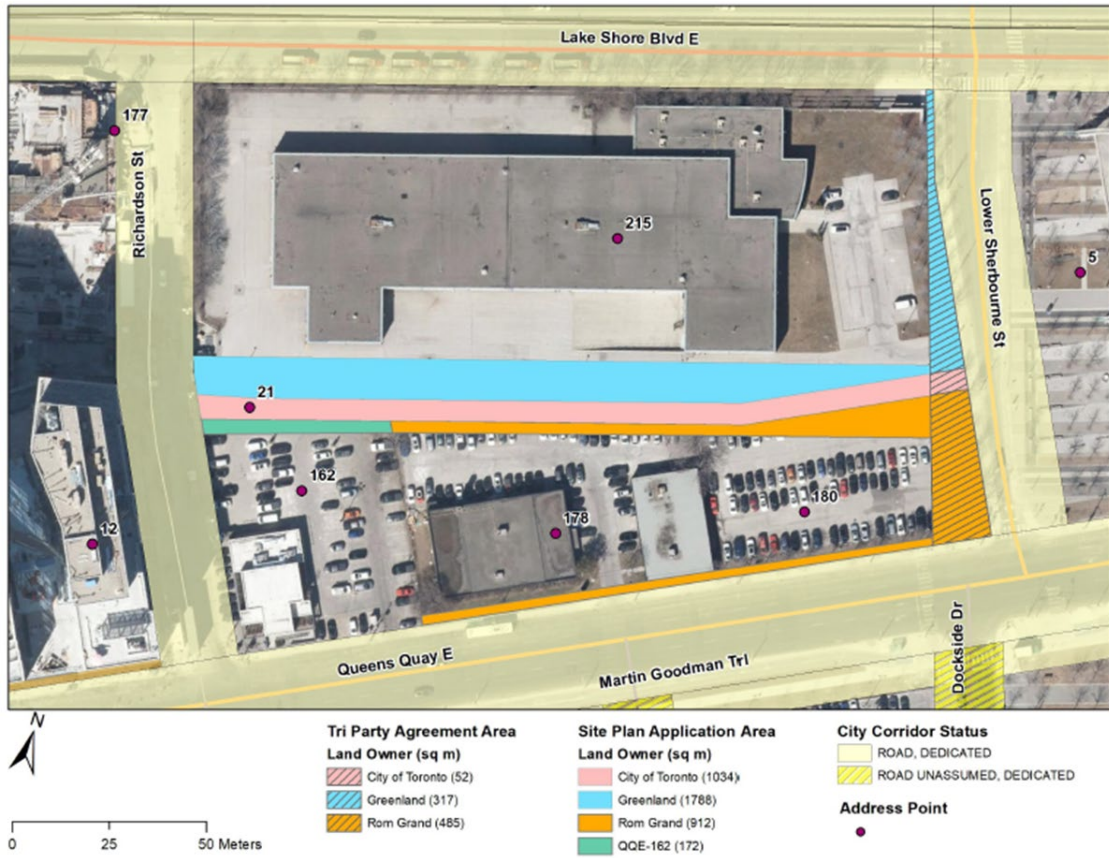
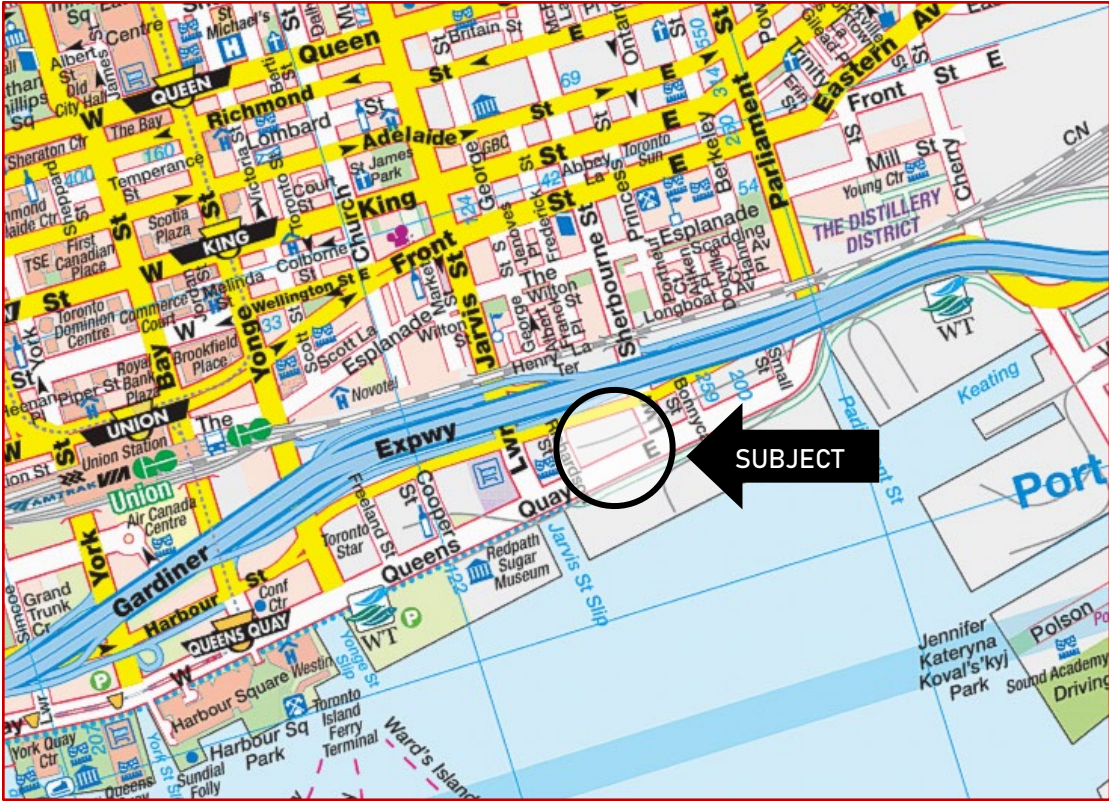
B. Director, Real Estate Services and Manager, Real Estate Services each has signing authority on behalf of the City for:
<ul style="list-style-type: none"> Documents required to implement matters for which each position also has delegated approval authority. Expropriation Applications and Notices following Council approval of expropriation (Managers whose position includes responsibility for implementing Council-approved expropriations are the only Managers with such signing authority).
Director, Real Estate Services also has signing authority on behalf of the City for:
<ul style="list-style-type: none"> Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval. Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents.

Pre-Condition to Approval			
<input checked="" type="checkbox"/> Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property			
Consultation with Councillor(s)			
Councillor:	Ausma Malik	Councillor:	
Contact Name:	Tom Davidson	Contact Name:	
Contacted by:	Phone <input type="checkbox"/> X <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>	Contacted by:	Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	Advised	Comments:	
Consultation with Divisions and/or Agencies			
Division:	Transportation Services/ Waterfront Secretariat	Division:	Financial Planning
Contact Name:	Mark Berkowitz / David Stonehouse	Contact Name:	Ciro Tarantino
Comments:	Concur	Comments:	Concurs
Legal Services Division Contact			
Contact Name:	Charlene Farrugia/Jay Gronc		

DAF Tracking No.: 2025-052	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Vinette Prescott-Brown	March 11, 2025	Signed by Vinette Prescott-Brown
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	March 12, 2025	Signed by Alison Folosea

Appendix "A"

Location Map & Aerial View



Appendix "B"
Revisions to CC12.13

Term/Subject	Council Decision	Revised
Parties	City and 2016 owners of the "FedEx sites"	City and Pinnacle (with Pinnacle to deliver South Sherbourne Lands to City by triggering a separate escrow agreement between Pinnacle and Keyfront).
Remediation Licence - Rail Spur Lands	Not contemplated	City to grant licence to Pinnacle for nominal consideration for a term of 6 months to remediate the Rail Spur Lands in accordance with a work plan peer reviewed and approved by the City.
Interests Exchanged	Fee simple interests (with Rail Spur Lands to ultimately come back to the City as part of a new east-west street)	City to convey licence interest to Pinnacle over Rail Spur Lands for construction of the East-West Road.
Timing of Exchange	Single contemporaneous exchange upon issuance of first above grade building permit	Phased exchange: 1 - Conveyance of North Sherbourne Lands to City with letter of credit to secure cleanup of South Sherbourne Lands in exchange for grant of construction licence to Pinnacle, after Pinnacle has completed remediation on the North Sherbourne Lands in accordance with a work plan peer reviewed and approved by the City, provided the City with a Remediation Report and reliance letter, and entered into a subdivision agreement in respect of its development site at 215 Lakeshore Boulevard East and posted all security under it (the "Initial Exchange"). 2 - Conveyance of South Sherbourne Lands to City, upon 10 business days' notice from Pinnacle to City (the "South Closing").
Security for South Sherbourne Lands Environmental Obligations	Not contemplated	A Letter of Credit in the amount of \$320,492.00 being 120% of the value of the estimated cost to complete the required remediation work on the South Sherbourne Lands which the City shall be entitled to draw down on if Pinnacle fails to do so expeditiously and in good faith at its cost.
Road Construction Licence (Rail Spur Lands)	Not contemplated	As part of the Initial Exchange, the City will grant to Pinnacle a licence to construct the East-West Road, commencing upon the date of the Initial Exchange and expiring upon acceptance of the East-West Road by the City, provided that the City may terminate the licence if Pinnacle fails to complete the construction of the East-West Road to a state of substantial completion by December 31, 2025 (subject to force majeure). The conceptual licence fee, to be "paid" by Pinnacle through the conveyance of the Sherbourne Triangle Lands to the City together with the payment of the Net Difference Payment (described below) to the City, is \$11,892,299.81.
Keyfront Step-In on Pinnacle Default	Not contemplated	In the event that the City terminates the Road Construction Licence due to a failure of Pinnacle to construct the East-West Road, the City is authorized to grant a similar licence to Keyfront, provided that Keyfront has remediated the South Sherbourne Lands in accordance with a work plan approved by the City's peer reviewer, provided the City with a remediation report and reliance letter, and transferred the South Sherbourne Lands to the City.
Environmental Condition/Requirements - Sherbourne Triangle	The Sherbourne Triangle Lands to be conveyed to the City	City will take title to South Sherbourne Lands in their current environmental condition, and Pinnacle will remediate them thereafter in accordance with a work

	were to be in accordance with standard City environmental, soil remediation and real estate practices.	plan peer reviewed and approved by the City, and provide the City with a remediation report and reliance letter. Upon the Initial Exchange, Pinnacle will make a CPU compliance payment to the City in the amount of \$40,000 (\$20,000 for each of the North Sherbourne Lands and the South Sherbourne Lands).
Net Difference Payment	Upon the exchange, the "FedEx site" owner was to pay the City for the net difference in land area (approximately 288 square metres) at fair market value, assuming ultimate development density for the lands (the "Net Difference Payment").	Net Difference Payment, calculated as \$3,143,052.04, is to be made to City by Pinnacle on the Initial Exchange. Land values have been estimated as \$11,892,299.81 for City's Rail Spur Lands and \$8,748,347.77 for the Sherbourne Triangle Lands.
Taxes	Not addressed	Pinnacle will pay HST to the City on the value of consideration given for the Road Construction Licence. City will pay HST and Land Transfer Tax associated with the acquisition of the North Sherbourne Lands and South Sherbourne Lands, and a portion of the proceeds of the transaction will be directed to fund these costs.
Remediation Licence - South Sherbourne Lands	Not contemplated	City to grant licence to Pinnacle for nominal consideration for a term of 6 months to remediate the South Sherbourne Lands in accordance with a work plan that is peer reviewed and approved by the City.