

Minutes of a Teleconference Meeting of the Investment and Real Estate Committee of the Toronto Waterfront Revitalization Corporation held at the offices of Toronto Waterfront Revitalization Corporation, 20 Bay Street, Suite 1310, Toronto, Ontario on Thursday, October 14, 2016 at 2:00 p.m., local time.

PRESENT: Steve Diamond
Julie Di Lorenzo (via telephone)
Susie Henderson (via telephone)

ABSENT:

The following additional persons were in attendance, unless otherwise noted, throughout the meeting or only for particular items as noted in these notes: William Fleissig, President and Chief Executive Officer; Meg Davis, Chief Development Officer; Erik Cunnington, Development Manager; Scott Loudon, Development Manager; Ian Beverley, General Counsel; Sonya Pead, Associate Legal Counsel; and Anthony Cerasa, In-house Counsel.

The Chair, Julie Di Lorenzo, requested that Steve Diamond take the Chair given that he attended the meeting in person and she via telephone. Mr. Diamond took the chair and with the consent of the Committee members present, appointed Ann Landry to act as secretary of the meeting.

The Chair declared that a quorum of the Committee Members was present and was properly constituted for the transaction of business.

1. Motion to Approve Agenda

ON MOTION duly made by Julie Di Lorenzo, seconded by Susie Henderson and carried, it was **RESOLVED** that the Meeting Agenda was approved.

2. Declaration of Conflicts of Interest

There were no conflicts declared.

3. Minutes

ON MOTION duly made, seconded and carried, it was **RESOLVED** that the Minutes of the May 4, 2016, July 13, 2016 and September 21, 2016 Investment and Real Estate Committee meetings were approved.

4. George Brown College (“GBC”) – Block 3

Meg Davis advised that as the City’s designated revitalization lead in East Bayfront (“EBF”), Waterfront Toronto has been working with the City and GBC since 2004 to bring a waterfront campus to EBF. She advised that Phase 1 of the campus was built and opened to approximately 5,000 students and faculty in 2012. She advised that since that time, the Corporation and City staff have been moving forward with Phase 2 of the project, another academic building adjacent to the first.

She advised that since 2004, the establishment of a waterfront institutional campus has been a priority for the City and Waterfront Toronto. She advised that between 2004 and 2007 the Corporation took part in extensive discussions with the majority of post-secondary institutions throughout the GTA, with the goal of establishing a post-secondary institution in the waterfront. She advised that in December 2008 Council declared Blocks 3, 4, and 5 lands in Dockside surplus and in October 2009, Council approved a transaction with GBC for these lands. She advised that the Council approval of a transaction with GBC recognized the significance of a waterfront campus to the long term vision for revitalization.

Ms. Davis provided the key terms of the 2008 Council approval including:

- A long term lease (103 years, consisting of initial four year construction period and 99 year lease term) with GBC on Blocks 4 and 5, for the purposes of an academic building, connected concourse and underground parking; and
- An Option Agreement with GBC, for the purposes of a student residence and recreation centre for Block 3. The approved option had a December 31, 2013 expiration with permission (at the City's discretion) for two, one-year extensions. The approved long term lease for Block 3 was to be co-terminus with the lease on Blocks 4 and 5.

Ms. Davis tabled an in-depth report and provided the Committee with the option extensions and revised Block 3 objectives, as well as Block 3 implementation options and GBC's offer to purchase.

She advised that GBC's final extension of the Option Agreement expired on December 31, 2015. She advised that all parties (City, Waterfront Toronto, and GBC) remained committed to identifying a feasible strategy for facilitating GBC campus expansion on the waterfront. She advised that at its meeting of December 9 and 10, 2015 Council approved the following recommendations concerning GBC and Block 3:

- City Council approve the proposed change of use for Block 3 of Dockside in EBF, from a student residence to an academic building and child care facility.
- City Council direct the Deputy City Manager, Cluster B to review the Block 3 proposal by GBC, submitted through Waterfront Toronto, and report back to Executive Committee and Council with recommendations on terms for either a long term ground lease or fee simple conveyance.

City Staff and Waterfront Toronto have since continued discussions with GBC and Waterfront Toronto now recommends proceeding with a fee-simple conveyance to GBC, subject to conditions that will be discussed during the closed session of the meeting.

Ms. Davis advised that GBC is proposing to develop an academic facility that will represent the expansion of its existing campus on Blocks 4 and 5, and will house academic divisions that are consistent with the objectives for an innovation and technology corridor on the waterfront. The building is currently proposed to accommodate 175,000 square feet of above grade gross floor area, for academic uses. What will exist below grade is still being determined.

She advised that the building will also include an approximately 8,000 square foot childcare centre to be located on the first, and potentially, second floors.

Ms. Davis advised that Waterfront Toronto's EBF Precinct Plan was endorsed by Council in December 2005. The Precinct Plan established a vision for a mixed-use community with up to 12,000 residents and 8,000 employees. The Precinct Plan identifies a number of priority non-residential uses, including employment, retail, cultural, and institutional uses. It also acknowledges Waterfront Toronto's ongoing efforts to attract an institutional partner, which demonstrates the longstanding nature of this priority, and the significance of this initiative to the EBF revitalization vision.

She advised that in July 2006, Toronto City Council approved the EBF Business and Implementation Plan, which included an EBF Employment Strategy (Employment Strategy). The Employment Strategy established the objective of the EBF as a centre for knowledge-based employment and a driver for economic development. It identified a number of conditions for success from other global precedents at the intersection of real estate development, urban design, technology and social policy. These conditions included the presence of research and development-based industries and educational institutions, including those that support knowledge-based and creative-sector employment. The provision of a range of innovative employment and educational uses was identified as a critical part of an overall strategy for building EBF as an intelligent community.

She advised that the request is consistent with the intent to establish a full campus of institutional uses on the waterfront, contributing to broader economic development objectives and the planned use will advance the Precinct Plan goals of providing a balanced mix of non-residential uses, and establishing a vibrant waterfront. She advised that the provision of an academic facility will attract thousands of students and faculty (significantly more than could be accommodated in a student residence) and contribute to year-round activation of the waterfront.

She advised that GBC's proposal for Block 3 will significantly advance the innovation and intelligent community objectives for the waterfront. The development of an academic facility with faculties focused on innovation, technology, and related sectors is particularly appropriate for Block 3. Facilitating GBC's request is consistent with the long-term objective of establishing an innovation corridor that includes a mix of uses that is sufficiently robust to support long term economic development objectives, particularly in the areas of education, training, and employment. This is a significantly stronger proposition than the previously approved student residence.

She further advised that the proposed business terms will be discussed in the closed session.

5. Motion to go into Closed Session

ON MOTION duly made by Julie Di Lorenzo, seconded by Susie Henderson and carried, the Committee **RESOLVED** to go into a closed session in accordance with Section 190.2(c) of the City of Toronto Act ("COTA") and Section 6.1.1(c) of By-Law No. 2 of the Corporation (*A proposed or pending acquisition or disposition of land*).

The Chair indicated to members of the public present that it was in order for them to depart the meeting. Members of the public left the meeting at 2:10 p.m.

Closed Session
2:10 p.m.

6. George Brown College – Block 3

Meg Davis tabled a confidential report and provided an overview of the proposed business terms for GBC's proposal for Block 3. She advised that the City is comfortable with said business terms and Management is recommending, subject to approval of Toronto City Council, that the City enter into an Agreement of Purchase and Sale with GBC and Waterfront Toronto enter into a Development Agreement with GBC for the City-owned land known as Block 3 of the Dockside district, for the purposes of an academic facility focused on innovation, technology and related sectors, and a childcare centre, subject to the terms and conditions as noted in the confidential report.

The business terms were discussed by the Committee and Ms. Davis responded to the questions posed by the Committee.

A motion for approval will be tabled during the open session of the meeting.

7. George Brown College – Parking Garage

Sandra Tran tabled a report and provided the Committee with an update on the transaction regarding the parking concession at 51 Dockside Drive. She advised that the transaction was approved by the Government Management Committee (a committee of Toronto City Council) on October 11, 2016 and will be tabled at City Council on November 8, 2016. Ms. Tran responded to questions from the Committee and advised that the item was tabled as an update only and no Committee action was required.

8. Project 2016A

Erik Cunnington provided a chronology of Waterfront Toronto's negotiation efforts regarding Project 2016A. He tabled a confidential report and provided an update on the project. An in-depth discussion ensued and a strategy and next steps were agreed upon.

9. Motion to go into Open Session

In accordance with Section 190 of COTA and By-Law No. 2 of the Corporation, and the closed session discussion having been completed, **ON MOTION** duly made by Julie Di Lorenzo, seconded by Susie Henderson and carried, the Committee **RESOLVED** to go into Open Session. The Chair indicated that it was now in order for members of the public to return to the meeting. Members of the public returned to the meeting at 3:00 p.m.

Public Session
3:00 p.m.

10. Resolutions Arising during the Closed Session

During the closed session discussions, the following resolution was proposed and voted on:

ON MOTION, duly made by Steve Diamond, seconded by Julie Di Lorenzo and carried, be it **RESOLVED** that the Investment and Real Estate Committee hereby approves, for recommendation to the Board of Directors, Waterfront Toronto entering into a Development Agreement with GBC and an Undertaking Agreement with the City for the City-owned land known as Block 3 of the Dockside district for the purpose of building an academic facility focused on innovation, technology and related sectors, and a childcare centre, subject to the terms and conditions described in the Term Sheet.

11. Next Meeting

It was agreed that a meeting of the Committee would be convened in early November to discuss Waterfront Toronto's overall real estate strategy moving forward.

12. Termination of the Meeting

There being no further business, **ON MOTION**, duly made by Julie Di Lorenzo, seconded by Susie Henderson and carried, it was **RESOLVED** that the meeting be terminated at 3:05 p.m. local time.

Chairman

Secretary of the Meeting