

# MONTAGE

## DESIGN / DEVELOPMENT NARRATIVE

Montage is a transformational mixed-use development at the junction of Toronto's Downtown and East End neighborhoods. The project is an environmentally sustainable cultural hub that integrates cinema, creative industries, and Toronto's park system to provide a unique outlet for expression and lifestyle. Montage embraces the future of urban transportation by providing both public transit and a thoughtful street grid that accommodates private vehicles, bicycles, and pedestrians. It enhances the urban fabric with distinctive plazas, tree-lined streets, and industrial facades, reminiscent of the late 19th century. Akin to a montage clipping together scenes of a film, this development augments the surrounding communities and creative thinkers of Toronto. Montage welcomes all ages, creeds, and ethnicities, and it is a place for collaboration, communication, and innovation. This is place-making at its finest.

At the heart of Montage is the confluence of the new East Harbour Transit Station, Relief Line Subway, and Broadview Streetcar. This intersection, aptly named Lambart Plaza, pays homage to the late technical director of the National Film Board of Canada. From here, site lines are created east to the Toronto skyline, south to East Harbour and north to Riverside Square. Visitors are captivated by the lively shopping arcade and rich aromas of locally roasted coffee and baked goods emanating from the plaza's farmers market stalls.

On the western end of Lambart Plaza the ornate Shipman Centre and Pickman Amphitheatre host movie premieres, art shows and outdoor concerts throughout the year. This area is the epicenter of sophistication, flanked by the international Legacy Food Hall, shared workspace, and an elevated landscaped park. Here, we have crafted the perfect balance of theatre, music, architecture, and panoramic views that help fuel the imagination.

Rising above the amphitheatre's water fountain is Sunlight Park, an elevated park that brings together families, fitness enthusiasts, and workers alike to relieve stress and embrace the outdoors. Sunlight Park is built atop a bridge spanning 1,200 feet of the Don Valley Parkway, allowing Montage to reclaim 8.26-acres along the riverfront for public recreational use. From Sunlight Park, the Old Eastern Avenue Bridge and a new pedestrian bridge connect to Corktown Common and the Don River waterfront. Underneath Sunlight Park and the Don Valley Parkway is an engineering marvel: a flood mitigation and water recycling system that welcomes storm water overflow, creating seasonal water features in purposefully sunken hardscaping surrounding Pickman Amphitheatre.

Along the Shoppes at Old Eastern Avenue, residents are struck by the warmth of the tree canopy and elegant storefronts. Local designers and artists showcase their products in affordable gallery spaces while pedestrians fill the streets with hands full of shopping bags.

Come experience diversity and imagination flourishing in the East Ends newest mixed-use development. Embrace all that the East End has to offer.

[Create Your Own Montage!](#)

## FINANCIAL NARRATIVE

Montage will be developed through a joint venture with ToDon Properties. ToDon will contribute Parcel A and the partnership will acquire Parcels B, C and D through a separate land holding entity. The development entity will acquire the land in three separate closings under one land acquisition agreement, with options for Phase II and III land executed immediately preceding their respective groundbreakings. These acquisitions will be based on a fixed price of C\$70 per square foot for Phase I, C\$75 per square foot for Phase II, and C\$80 per square foot for Phase III, with a total land acquisition cost of C\$53.29 million.

The partnership will invest C\$163 million in private infrastructure and public spaces to connect with the surrounding communities and enhance the experience for all who visit our site. Improvements include an elevated 8.26-acre park over the Don Valley Parkway, three public plazas, including an amphitheatre, a reinstated street grid, and the restoration of the historic Eastern Avenue Bridge. Infrastructure costs will be front-loaded in the first two phases of development.

The project will be developed in three phases over eight years, with a total development cost of C\$1.56 billion. Phase I will be constructed at the eastern portion of the site where the least infrastructure is required and will coincide with the completion of Toronto's public transportation investments. The cornerstone of Phase I is the 38-story McLaren Tower condominiums, which will be sold off to fund early infrastructure investments. The Phase II office, food hall, and retail space will generate rent premiums resulting from the concurrent completion of the remaining public spaces (plazas, Shipman Cinema Centre, and the elevated Sunlight Park). The third and final phase features the upscale Shoppes at Old Eastern Ave within the re-established street grid as well as two lifestyle hotels that will benefit from the significant office development taking place at Montage and East Harbour.

Montage's strategic phasing aligns condo sell-off and permanent refinancing of earlier phases with construction of subsequent phases, limiting the partnership's required equity contributions for Phases II and III. Construction will be financed with a senior loan at 60% loan-to-cost carrying a 5.0% interest rate and a mezzanine loan at 20% loan-to-cost carrying a 12.0% interest rate. The remaining 20% of development costs will be funded by equity coming from the two partners on a pari passu basis. Due to equity reinvestment, the bulk of the equity return comes in years 8, 9 and 10 and the assumed sale of the property following the 10-year holding period. Returns by phase and the total project are as follows:

Phase	Unlevered IRR	Levered IRR	Equity Multiple
I	16.46%	51.73%	7.33x
II	13.66%	35.54%	4.44x
III	35.47%	78.62%	6.67x
Total Project	17.97%	49.66%	11.87x