

**From:** "Johnston, Sadhu" <Sadhu.Johnston@vancouver.ca>  
**To:** "Direct to Mayor and Council - DL" <CCDTMACDL@vancouver.ca>  
**Date:** 5/9/2016 3:06:26 PM  
**Subject:** Release of documents

Dear Mayor and Council,

I am writing in regards to a Privacy Commissioner Order for the Release of all Documents Related to the Sale to Aquilini of the City's interest in the Ground Lease/Land Sale and Construction Loan Financing of the Village on False Creek.

The Privacy Commissioner has ordered that the documents related to the sale to certain affiliates of the Aquilini Group of the City's interest in the Construction Loan Financing (and the City's interest as landlord under the Ground Lease) of the Village on False Creek be disclosed to the FOI Inquiry applicants on May 12, 2016. The City will provide the documents to the applicants on May 12, 2016 and publicly release the documents 24 hours later on May 13, 2016 by posting them to the Olympic Village Document section of the City's website.

#### Background

Since November 2010, the Village on False Creek development was in receivership, with Ernst & Young Inc. ("EYI") acting as the receiver who reported to the Court and managed the affairs of Millennium Southeast False Creek Properties Ltd to ensure that the secured lender (the City of Vancouver) would receive optimum repayment of its debt. The Receiver continued to sell the condominium units, [and to lease and ultimately sell both] the commercial spaces and the [market] rental buildings in the Village, and paid the net proceeds to the City for application against the construction financing. However, in late 2013, after the majority of the condominium units were sold, it was apparent that alternatives should be considered to the continued costs to maintain the receivership and carry the remaining market residential condominium units; therefore, the City asked EYI to see if any third party buyer would be willing to purchase the City's interest in the land lease/sale and construction financing.

EYI approached many potential candidates and received several proposals [as part of a competitive process]; however, Aquilini's proposal provided the highest value to the City [and extricated the City from any further risk and costs of the continuing receivership proceedings following the closing of the transaction, including in respect of certain restructuring transactions involving the Village on False Creek that were necessary under the terms of the proposal]. As a result of this sale [and previous distributions made by EYI from net proceeds generated during the period of the receivership], the City was able to fully repay the monies it had borrowed for providing complete construction financing for the Village on False Creek and also received approximately \$70M which it applied against the original agreed purchase price for the land.

Based on the advice from the City's experts, this transaction allowed the City to address its risk related to the Olympic Village within usual commercial terms.

The City was prepared to release the documents pertaining to the sale shortly after the transaction closed; however, Millennium (the 3rd party whose business information was contained within those documents) continued to object to the release. The ruling on their objection has now been settled (OIPC Order F16-17) and the City is proceeding to release of the documents.

Best  
Sadhu Johnston  
City Manager

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