



STAFF REPORT ACTION REQUIRED

Minor Amendments to Delegation of Authority in Certain Real Estate Matters

Date:	August 19, 2013
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	All
Reference Number:	P:\2013\Internal Services\RE\Gm13023re (AFS#18159)

SUMMARY

For the purposes of relieving Committee and Council Agendas of real estate transactions that are routine in nature and/or relatively minor in financial terms, and of avoiding delay in their approval and implementation, staff is recommending that Council make some minor technical amendments to the delegation of authority in certain real estate matters previously approved by Council in May 2010 (the "Real Estate Delegation").

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. City Council include in the Real Estate Delegation authority for the Director of Real Estate Services and his/her designate to approve:
 - (a) residential leasing matters;
 - (b) leases and licences of over 21 years (including options/renewals) for nominal consideration where the City is a tenant or licensee;
 - (c) leases and licences of over 21 years (including options/renewals) where the leased or licensed property is less than 250 square feet in area and the City is the landlord or tenant, licensor or licensee; and
 - (d) leases and licences of over 21 years (including options/renewals) where the City is a tenant or licensee and the landlord or licensor is a governmental department, Ministry, agency, board or commission,

and to add the contents of Attachment 1 hereof to the list of General Conditions in the Real Estate Delegation.

2. City Council authorize the City Solicitor to make such technical amendments to the Real Estate Delegation in order to incorporate the authority granted hereby and to address any technical requirements.

FINANCIAL IMPACT

There is no financial impact as a result of this report.

DECISION HISTORY

At its meeting on May 11 and 12, 2010, City Council adopted Item No. EX43.7 of the Executive Committee, authorizing the delegation of approving and signing authority in certain real estate matters as set out in the report (March 31, 2010) from the Deputy City Manager and Chief Financial Officer.

<http://www.toronto.ca/legdocs/mmis/2010/ex/bgrd/backgroundfile-29031.pdf>

ISSUE BACKGROUND

The Real Estate Delegation included the authority to approve leases and licences where the City is the landlord or tenant, licensor or licensee. However, approving authority in leasing and licensing matters was limited to those leases and licences with terms of less than 21 years (including options and renewals).

Since the term of the City's standard residential lease is "one year and from month to month thereafter" in accordance with section 38(1) of the *Residential Tenancies Act*, there is no stipulated end date. If the City purported to impose an end date, it would be irrelevant since the statutory regime of the *Residential Tenancies Act* governs all residential leases. Accordingly, the Real Estate Delegation may not be used to authorize or approve residential leases, which must therefore go to Committee and Council for approval.

Similarly, because the Real Estate Delegation may not be used to approve leases or licences with terms of over 21 years even where (i) the City is a tenant/licensee for nominal consideration, (ii) the property is less than 250 square feet in area, or (iii) the landlord/licensor is a governmental Ministry or agent thereof, these must go to Committee and Council for approval if they have terms of over 21 years.

COMMENTS

The three above-mentioned types of transactions, which are routine in nature and/or relatively minor in financial terms, can unduly and unnecessarily lengthen Committee and Council agendas and may also result in delays in implementing the necessary transactions.

To address these situations, staff is proposing that Council delegate to the Director of Real Estate Services and his/her designate the approval and signing authorities for these types of transactions on the conditions as set out in Appendix A of the Real Estate Delegation, as amended by the conditions set out in Attachment 1 hereof.

As a result, Committee and Council Agendas will be freed up from routine and/or financially minor leasing and licensing matters. Once a transaction is approved, staff will be in a position to process and execute all necessary documentation more expeditiously.

In order to maintain accountability to the public and transparency of process in relation to the exercise of the proposed delegated authorities for real estate matters, both an Office (paper) and Web Register for Delegated Approval Forms (DAFs) has been established and maintained. The format of the original DAF and the restrictions and conditions contained in the Real Estate Delegation will be amended to incorporate the proposed delegations contained in this report.

Real Estate Services currently provides a semi-annual report, submitted in normal course to Committee and Council for all DAF activity. Activities resulting from these additional delegations would be included in that report.

CONTACT

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SIGNATURE

Josie Scioli
Chief Corporate Officer

ATTACHMENTS

Attachment 1 – Additions to General Conditions

Attachment 1

TO BE INCORPORATED INTO APPENDIX A OF THE REAL ESTATE DELEGATION AS GENERAL CONDITIONS ("GC"):

- All residential leasing documents shall adhere to the *Residential Tenancies Act* and any successor legislation.
- Despite GC (n), Approving Authority in residential leasing matters is not limited to periods of less than twenty-one (21) years.
- Despite GC (n), Approving Authority in leasing or licensing matters for nominal consideration where the City is a tenant or licensee is not limited to periods of less than twenty-one (21) years.
- Despite GC (n), Approving Authority in leasing or licensing matters where the leased or licensed property is less than 250 square feet in area is not limited to periods of less than twenty-one (21) years.
- Despite GC (n), Approving Authority in leasing or licensing matters where the leased or licensed property is owned or managed by a governmental department, Ministry, agency, board or commission is not limited to periods of less than twenty-one (21) years.