

City-Wide Real Estate: Delegated Authorities Framework & Transition Plan

Date: September 12, 2017

To: Executive Committee

From: Deputy City Manager & Chief Financial Officer
Chief Corporate Officer

Wards: All

SUMMARY

Staff is recommending that Council align authorities for real estate matters with the new City-wide real estate model approved by City Council in May 2017.

The recommendations in the City-Wide Real Estate Transformation report were adopted by City Council on May 24, 2017 (with amendments). With a City-building focus, the new model will centralize real estate and facilities management activities across the City over a three-year incubation period (not including Toronto Community Housing Corporation and Toronto Hydro at this time). The new model will launch on January 1, 2018, and will include:

- **The Real Estate Services and Facilities Management Divisions under the current Chief Corporate Office**, with an expanded city-wide scope and mandate, including the execution and coordination of day-to-day real estate transactions and facilities management; and
- **A new agency** to manage the City's real estate strategy, develop City buildings and lands for municipal purposes and deliver client-focused real estate solutions to City Divisions, Agencies and Corporations (includes operational consolidation of Build Toronto and Toronto Port Lands Company).

The model will work in an integrated fashion to execute the best real estate solutions for the City as a whole. To effectively enable the City-wide centralized model, the following is required:

- *Centralizing and streamlining of current real estate authorities delegated to City Divisions, Agencies and Corporations.* This includes recommendations to rescind or amend the current delegations of authority for real estate matters as required, including, but not limited to Parks, Forestry and Recreation, Toronto Transit Commission, Toronto Parking Authority, Toronto Public Library, and Exhibition Place; and

- *Minor amendments to the current Delegation of Authority Framework for Real Estate Matters.* The consolidated delegated authority framework will co-ordinate, consolidate and harmonize various delegations previously approved by Council for various City Divisions and Agencies.

For the purposes of relieving Committee and Council Agendas of frequently routine real estate reports, facilitating situations involving critical deadlines, improving the stage on which the City conducts its real estate transactions, and avoiding delay in the implementation of approved transactions, Council has delegated authority to approve and sign certain real estate matters where funding has been made available in an approved budget. Staff is recommending that such delegation be updated to co-ordinate, consolidate and harmonize various delegations previously approved by Council.

By centralizing and streamlining the City's decision making framework for real estate matters, the City is expected to realize a number of benefits, including:

- Enhanced real estate oversight, analysis, and process efficiency in decision-making;
- Consistency in due diligence practices and application of City-wide real estate standards;
- Improved coordination and collaboration among City Divisions, Agencies and Corporations in driving real estate solutions;
- Improved opportunities for co-location, space sharing, value maximization and real estate cost savings; and
- Centralized, City-wide reporting of real estate activities on an annual basis to City Council.

Overall, addressing real estate authorities is one step in the implementation of the City-wide centralized model. A model that is designed to better support City programs in delivering service and pursue opportunities in the public interest. This includes driving major City-building and revitalization projects, unlocking value for City priorities (e.g., community, social, economic, & environmental opportunities), and delivering better service solutions to residents and visitors of the city.

As a next step, the City Manager and the Chief Corporate Officer, in consultation with the City Solicitor and with input from the impacted Divisions, Agencies and Corporations, will review and report back to Council in Q4 2017 on specific amendments to Council directions and Municipal Code chapters; and the Chief Corporate Officer will continue to consult with the affected Divisions and Agencies on transition plans to support business continuity during the transition period.

Once the City-wide real estate service delivery model is launched on January 1, 2018, the new Toronto Realty Agency and the Chief Corporate Officer will engage with one another on real estate needs, with service levels maintained and/or improved through the maturity of the new model.

RECOMMENDATIONS

The Deputy City Manager & Chief Financial Officer and the Chief Corporate Officer recommend that:

1. City Council delegate the approval and signing authorities for real estate matters as set out in Appendix A, effective January 1, 2018, thereby amending the existing delegated approval and signing authorities adopted by City Council on May 11 and 12, 2010 in Item EX43.7 in the manner indicated in Appendix A.
2. City Council direct that, subject to the exclusions in Appendix B, all City Divisions, and the City Agencies identified in Appendix B ("Listed Agencies"), operate in accordance with the City's new real estate service delivery model, updated delegated authority approval process as set out in Appendix A, and due diligence procedures, effective January 1, 2018 and, if Council approval is required for any real estate matters proposed by such Division or Listed Agencies, that the related request for Council authorization be made by way of a joint report to City Council together with the Chief Corporate Officer or, where the Chief Corporate Officer deems appropriate, the Toronto Realty Agency.
3. City Council direct that, pending the implementation of Recommendation 2 above, all Listed Agencies inform the Chief Corporate Officer of any ongoing negotiations in relation to proposed real property transactions and, where a binding commitment has not yet been entered into in relation to such proposed transaction, seek direction from the Chief Corporate Officer as to whether a review by Real Estate Services staff is required prior to entering into such commitment.
4. City Council direct that all City Divisions and Listed Agencies, effective January 1, 2018:
 - a) work with the Toronto Realty Agency in such manner as the Chief Corporate Office directs when engaging in the development of real estate portfolio planning strategies, leasing strategies, land development strategies, staff accommodation plans, real estate RFP/REOI's, joint venture proposals, and real estate policies; and
 - b) provide Toronto Realty Agency with such information as it may request from time to time concerning current, upcoming or planned real estate projects or transactions, for the purpose of enabling Toronto Realty Agency to develop an understanding of existing projects and practices, and develop strategic objectives.

5. In order to establish appropriate authority for the Toronto Realty Agency over Build Toronto Inc. ("Build Toronto") and the Toronto Port Lands Company ("TPLC") and their respective holding subsidiaries and activities, City Council direct the City Manager, in consultation with the City Solicitor, Chief Corporate Officer, and the chief executive officers of Build Toronto and TPLC, to review and report back to the Executive Committee in the 4th quarter of 2017 with recommendations for:

a) amending or replacing Council's existing directions to each of Build Toronto and TPLC regarding real estate matters as required to implement the new real estate model;

b) authorizing the Toronto Realty Agency to provide management services pursuant to an agreement with each of Build Toronto and TPLC; and

c) implementing the appropriate amendments to Build Toronto's and TPLC's respective shareholder directions to confirm that:

(i) all land transfers to Build Toronto or TPLC, or their respective subsidiary corporations shall be subject to the terms of a transfer agreement approved by City Council; and

(ii) the members of the permanent board of directors of the Toronto Realty Agency appointed by Council shall also be appointed as the members of the board of directors of each of Build Toronto and TPLC.

6. City Council direct that the Chief Corporate Officer, in consultation with the City Solicitor, and with input from the chief executive officers of the Toronto Transit Commission ("TTC"), Toronto Parking Authority ("TPA") and Board of Governors of Exhibition Place ("Exhibition Place"), review and report back to the Executive Committee in the 4th quarter of 2017 on the appropriate Council directions to be rescinded and replaced and amendments to Municipal Code Chapters 279 (TTC), 179 (TPA) and 63 (Exhibition Place), to ensure that all real estate transactions are directed through the City's new real estate service delivery model, the updated delegated authority approval process and due diligence procedures, effective January 1, 2018, while recognizing the need to preserve their ability to continue with the day to day management of real property assets falling under their respective jurisdictions.

7. City Council direct that, subject to the exclusions in Appendix B, each of the TTC, TPA and Exhibition Place work directly with the Chief Corporate Officer on all new or ongoing real estate transactions until the amendments referred to in Recommendation 6 come into effect on January 1, 2018 and, where a binding commitment has not yet been entered into in relation to such proposed transaction, seek direction from the Chief Corporate Officer as to whether a review by Real Estate Services staff is required prior to entering into such commitment.

8. City Council rescind the delegated approving and signing authorities in Clause 4 of Economic Development and Parks Committee Report No. 2, entitled "Process for the Approval and Execution of Leases, Licences and Other Agreements Within the Economic Development, Culture and Tourism Department (City Wide)", as adopted by City Council at its meeting on March 6, 7 and 8, 2001, effective as of January 1, 2018.

9. City Council direct that the Chief Corporate Officer, in consultation with the City Solicitor and with input from the General Manager, Parks, Forestry and Recreation, review and report back to the Executive Committee in the 4th quarter of 2017 on the appropriate delegation of approval and signing authorities to the General Manager, Parks, Forestry & Recreation for short term licence and permit arrangements with respect to recreation, parks and open space areas, in order to preserve their ability to continue with the day to day management, programming and public/commercial use of parks spaces.

10. City Council amend the consent given to the Toronto Public Library Board to enter into certain leases in Clause 11 of Administration Committee Report No. 6, entitled "Toronto Public Library Board Leases", as adopted by City Council at its meeting on October 26 and 27, 1999, effective as of January 1, 2018, such that City Council's consent is conditional upon the Toronto Public Library Board complying with the updated delegated authority approval process set out in Appendix A and the City's due diligence procedures, and direct the Chief Corporate Officer to seek input from the City Librarian on measures and processes to be implemented to provide appropriate service levels and support to the Toronto Public Library Board in respect of its leasing requirements.

11. City Council direct the Chief Corporate Officer to work with the affected City Divisions and Listed Agencies to establish appropriate service levels, support and business continuity for their real estate portfolio requirements, on an immediate and ongoing basis.

12. City Council authorize an amendment to the definition of "sale" in Chapter 213, Sale of Real Property of the City of Toronto Municipal Code to clarify the manner in which the term of a lease of City property is calculated for the purposes of same, by specifying that a lease of City property constitutes a sale only in circumstances where the unexpired term of the lease, including any rights of renewal or extension, exceeds 21 years, and authorize the Chief Corporate Officer and City Solicitor to take such steps as are required to give effect to this amendment including the introduction in Council of any bills necessary to give effect thereto.

FINANCIAL IMPACT

There is no financial impact as a result of this report. It is a pre-condition to the exercise of any delegated authority that all required funding be available in an approved budget, or funding be available from third party sources.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

DECISION HISTORY

At its meeting on May 24, 25 and 26, 2017, City Council adopted a new real estate service delivery model for the City government that centralizes all real estate activities City-wide, including all real estate strategy and portfolio planning, major building projects, developments, real estate transactions and facilities management. Council also directed City staff to recommend a delegation of authority framework for real estate matters in order to centralize real estate authorities City-wide.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX25.9>

At its meeting on May 11 and 12, 2010, City Council adopted a report entitled "Delegation of Authorities in Certain Real Estate Matters," which delegated certain approval and signing authorities to the City Manager, Deputy City Manager & Chief Financial Officer, Chief Corporate Officer and Director of Real Estate Services.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.EX43.7>

At its meeting on March 6, 7 and 8, 2001, City Council adopted a report entitled "Process for the Approval and Execution of Leases, Licences and Other Agreements Within the Economic Development, Culture and Tourism Department (City Wide)", which delegated authority to the City Manager and the General Manager of Parks, Forestry and Recreation Division to approve and execute specific real estate agreements.

<http://www.toronto.ca/legdocs/2001/agendas/council/cc010306/edp2rpt/cl004.pdf>

At its meeting on October 26 and 27, 1999, City Council adopted a report entitled "Toronto Public Library Board Leases", pursuant to which City Council consented to the Toronto Public Library Board entering into certain leases and lease renewals.

<http://www.toronto.ca/legdocs/1999/minutes/council/appa/cc991026/adm6rpt.htm>

Issue / Background

In May 2017, as part of the approval of the City-wide Real Estate Transformation, City Council requested the City Manager, in consultation with the City Solicitor and the Chief Corporate Officer, to report to Executive Committee in the third quarter of 2017 on a Delegation of Authority Framework for Real Estate Matters aligned with the new City-wide real estate model.

This includes recommendations to rescind or amend the current delegations of authority for real estate matters as required, including, but not limited to Parks, Forestry and Recreation, Toronto Transit Commission, Toronto Parking Authority, Exhibition Place, Toronto Public Library, Toronto Police Service, Affordable Housing Office, and Long Term Care Homes and Services.

COMMENTS

1. Support Transformation & Business Re-engineering

The current state of real estate management across the City is made up of an entangled system of governance and service delivery. There is a clear opportunity to apply a strategic City-wide lens and drive enhanced management practices through required business re-engineering.

Currently, there are various decision makers for real estate matters across City Divisions, Agencies and Corporations. As a result there are varying governance structures, program objectives, investment plans, data and technology, skill and expertise. This has led to inconsistent standards, processes, and due diligence practices applied to real estate transactions, joint ventures, portfolio planning and land development.

There is now an opportunity to move forward with a new City-wide service delivery model, with centralized authorities and accountabilities for real estate stewardship, clear and streamlined processes, and a mandate to implement a strategic approach to City-wide real estate planning and execution. There is an opportunity to drive a City-wide real estate portfolio strategy, program-level coordination, and co-investments so the City can pursue and maximize the potential of desired city-building outcomes.

With the new City-wide real estate model approved by City Council in May 2017, the City will have a full-service real estate operation to provide City-wide oversight of real estate planning and decision-making (not including Toronto Community Housing Corporation and Toronto Hydro at this time). The new delegated authority framework aims to transform real estate governance on a City-wide basis by rescinding or amending current authorities and directing core real estate activities to the new model.

Core activities include real estate sales, leases, acquisitions and development. However, to effectively enable the City-building mandate of the new real estate model, this report also requires all City Divisions, Listed Agencies and Corporations to effectively collaborate with the Toronto Realty Agency and the Chief Corporate Officer for real estate solutions, execution, and timely delivery of public outcomes through office accommodation strategies, leasing strategies, program portfolio plans and joint venture proposals.

2. Divisions, Listed Agencies and Corporations Authorities

It is recommended that centralized real estate authorities be developed to operationalize the new model. This requires rescinding or amending the delegations of authority for real estate matters that some City Divisions, Listed Agencies and Corporations currently have.

Accordingly, it is recommended that:

- Subject to certain limited exceptions set out in Appendix B, all City Divisions and the Listed Agencies be directed to operate in accordance with the City's new real estate model, updated delegated authority approval process and due diligence procedures and all City Divisions and the Listed Agencies be directed to work directly with the Toronto Realty Agency in such manner as the Chief Corporate Officer directs when engaging in the development of real estate portfolio planning strategies, leasing strategies, land development strategies, staff accommodation plans, real estate RFP/REOI's, joint venture proposals, and real estate policies;
- A review be undertaken and a report be brought back to the Executive Committee in Q4 2017 with recommendations amending or replacing City Council's existing directions to each of Build Toronto and TPLC, which are being retained as corporate holding entities with the Toronto Realty Agency Board functioning as directors, to enable real estate business and to implement the new real estate model;
- A review be undertaken and a report be brought back to the Executive Committee in Q4 2017 on the appropriate Council directions to be rescinded and replaced and the appropriate amendments to be made to the Municipal Code Chapters pertaining to the Toronto Parking Authority, Toronto Transit Commission and Exhibition Place in order to implement the new real estate model; and
- City Agencies, Corporations and Divisions, including Affordable Housing, Shelter Support & Housing Administration, Long-Term Care Homes & Services, Public Health, and Toronto Police Services, work directly with the Chief Corporate Office and the Toronto Realty Agency for business plans with real estate impacts, as appropriate.

A key mandate of the City-wide real estate model is to deliver client focused real estate service and strategic solutions to City Divisions, Agencies and Corporations. Portfolio Strategy and Client Relationship Management will be critical functions to proactively engage with all stakeholders, identify key program requirements for an integrated strategy, and ensure service and program solutions are appropriately developed/executed for programs.

By centralizing and streamlining the City's decision making framework for real estate matters, the City is expected to realize a number of benefits, including:

- Improved coordination and collaboration among City Divisions, Agencies and Corporations in driving real estate solutions;
- Improved opportunities for co-location, space sharing, value maximization and real estate cost savings;
- Improved expertise applied to real estate analysis and decision-making;

- Consistency in due diligence practices and application of City-wide real estate standards;
- Centralized, City-wide reporting of real estate activities on an annual basis to City Council; and
- Diverting low value, non-strategic reports from Committee, Council and Board Agendas to be managed by appropriate staff teams.

Benefits of centralization to City programs include:

- Program areas focus on core business activities versus developing real estate expertise;
- Access to a full service real estate advisory and delivery model (including services such as facility planning, cost consulting, marketplace analysis, strategic advisory and negotiations).
- Access to Board expertise with a range of industry knowledge;
- Proactive planning of real estate requirements through a City-wide lens; and
- Greater connections to other City programs for synergies and/or cost savings (e.g., options for co-location, pooling capital, or shared services).

To realize these benefits, City Divisions, Listed Agencies and Corporations will operate in accordance with the new model to develop real estate plans that support their business operations (e.g., requirements, desired outcomes). With the advice of the Chief Corporate Officer, Toronto Realty Agency, the City's Chief Financial Officer and Financial Planning Division, they will also seek operating and capital budget approval (through the City's budgeting process) to support their real estate needs. As a result, City Division, the Listed Agencies' and Corporations' boards can focus on core business activities and effective service delivery while engaging the new real estate service delivery model on real estate issues.

To achieve program objectives, the new real estate model will be responsible for providing program needs analysis and advice, strategic portfolio planning, value maximization analysis (i.e. co-location, joint ventures), industry best practices and standards, business case development and transaction execution. By assembling a City-wide view of program needs and portfolios, the new model will be able to establish an integrated City-wide real estate strategy, Ward and District plans, and a coordinated City-building agenda for City-owned property that achieves key social, economic, environmental and service-related outcomes.

3. Amendments to Delegated Authorities Framework

The City's current delegated approval framework for real estate matters has been effective in relieving Committee and Council Agendas of routine real estate reports, facilitating critical deadlines, applying standards to decision-making and delivering streamlined services to City Divisions. As a result, only minor amendments are being recommended to improve the overall delegated approval processes. Important changes include (as shown in Appendix A):

- *Manager level approval for transactions not greater than \$50,000:* currently, no managers have signing authority for real estate matters. By providing authorities for low-risk, low-value transactions, a significant volume of real estate activity will be reallocated from the Director of Real Estate Services. This is expected to improve customer service efficiency and reduce executive hours on low-risk issues. To improve oversight on each transaction under \$50,000, two managers will be required to approve each delegated approval form (DAF).
- *Clarifying when a lease constitutes a sale:* Currently, leases of City-owned property are considered to be a sale when the term, including the history of occupancy, exceeds 21 years, triggering a declaration of surplus process. The clarification recommended no longer considers previous lease terms in the calculation of the 21 year period, so that the declare surplus process will only apply when the unexpired term, including future renewals/extensions, exceeds 21 years. This is expected to reduce administration times and improve the overall lease process for City tenants, including community-based organizations.

The majority of City Divisions and Listed Agencies already utilize the City's delegated approval process and due diligence procedures. However, this report recommends that, subject to certain limited exceptions set out in Appendix B, City Council direct all City Divisions and Listed Agencies to make use of the City's new real estate service delivery model and updated delegated authority approval process, effective January 1, 2018.

In addition, some Divisions, Listed Agencies and Corporations report directly to City Council for approval of certain real estate matters, such as development projects, joint ventures, real estate portfolio plans and long-term leases. In order to ensure that all real estate matters are streamlined to the new real estate model for a City-wide approach, it is recommended that such Council reports from Divisions or Listed Agencies be submitted jointly with the Chief Corporate Officer or, where the Chief Corporate Officer deems appropriate, the Toronto Realty Agency.

4. Transition into the new Model and Service Delivery

The majority of Divisions and Listed Agencies receive some or all real estate services from the Chief Corporate Office Organization. Those impacted by the recommended changes in this report will be engaged by the Chief Corporate Officer and staff from the Toronto Realty Agency to develop appropriate transition plans for January 1, 2018.

Impacted areas where amendments to existing authorities are being proposed include the Toronto Parking Authority, Toronto Transit Commission, Exhibition Place, Toronto Public Library and Parks, Forestry and Recreation. Other affected areas who may report directly to City Council include, but are not limited to, Affordable Housing Office, Shelter Support and Housing Administration, Long-Term Care Homes & Services, Public Health and Toronto Police Services. The transition plans will be developed in conjunction with the affected Divisions and Listed Agencies and will address transition timing, resourcing, business continuity plans, engagement protocols, change management and service standards.

The City Manager and the Chief Corporate Officer, in consultation with the City Solicitor, and with input from the impacted Listed Agencies and Corporations, will review and report back to the Executive Committee in the 4th quarter of 2017 on the appropriate Council directions to be rescinded and replaced and the appropriate amendments to be made to the relevant Municipal Code chapters, in order to minimize non-real estate impacts. For example, Program areas will need to maintain core business abilities and authorities to execute their day to day operations, such as:

- *Toronto Parking Authority*: ability to manage location agreements for Bike Share and enter into parking management agreements.
- *Toronto Transit Commission*: ability to execute entrance, access and consent agreements to manage, maintain and protect transit infrastructure.
- *Exhibition Place*: ability to execute permits and licenses for events, exhibitions and other short-term commercial/public uses.

In addition, the Chief Corporate Officer will consult with the General Manager, Parks, Forestry & Recreation (PF&R) and report back to the Executive Committee in the 4th quarter of 2017 on providing PF&R the appropriate delegation of approval and signing authorities for short term licence and permit arrangements for uses such as allotment gardens, arts and music events, social gatherings, wedding ceremonies, outdoor/indoor events, camps and other recreational uses.

5. Next steps

The City Manager and the Chief Corporate Officer, in consultation with the City Solicitor, will:

- *Further consult with impacted City Divisions, Listed Agencies and Corporations*: identify appropriate Council directions and Municipal Code chapter amendments in order to impact only core real estate authorities and improve focus on core business activities.
- *Report to Executive Committee Q4 2017*: recommend specific amendments and Council directions to rescind, amend and/or replace authorities, as appropriate, in order to centralize real estate governance into the new model.

- *Implement Transition Plans*: work directly with affected City Divisions, Listed Agencies and Corporations to effectively transition, maintain business continuity and engage the new real estate model for strategic planning and real estate service delivery.

CONTACT

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SIGNATURE

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ATTACHMENTS

Appendix A: General Conditions and Delegated Authorities
Appendix B: Listed Agencies and Excluded Items

APPENDIX A: General Conditions and Delegated Authorities

General Conditions (“GC”):

(A) The local Councillor (or local Councillors if the subject property is located on a ward boundary or if the transaction involves an exchange of properties in more than one ward), will be consulted prior to the exercise of delegated Approving Authority by staff for all Acquisitions, Disposals, Land Exchanges and Leases. In the event of a vacancy in the Ward in which the subject property is located, the Mayor's office shall be consulted in the alternative.

(B) Where approving power has been delegated to staff, the Chief Corporate Officer, Deputy City Manager and Chief Financial Officer, or the City Manager, may determine that such matter is of such special interest that same should be returned to the relevant Committee and Council for consideration and determination.

(C) Exercise of delegated authority is subject to all applicable Council policies, statutes or other applicable law.

(D) Authority to approve financial commitments/expenditures is subject to all amounts being available in an approved budget, or funding being available from third party sources, except for "Strategic Property Acquisitions" as set out in EX44.22 adopted by Council August 25, 26, 27 and 28, 2014, which identifies alternative funding mechanisms, subject to additional approval requirements.

(E) Property interests are to be based on appraised value, and no interest shall be granted at less than market value unless otherwise specifically authorized.

(F) Authority to approve transactions at less than market value is subject to statutory anti-bonusing provisions.

(G) Total compensation means the aggregate of all types of payments, including land value, estimated clean-up costs, potential arbitration awards, loss claims, etc, but exclusive of any applicable taxes and registration costs.

(H) Authority to acquire property is conditional upon provision being made to bring the property into compliance with applicable MOE or other requirements such that it will be fit for its intended municipal purpose, except for property acquisitions of 50M2 or less for transit shelter purposes.

(I) Authority to initiate the permanent road closure process in A.4(2), (3) and (4) is conditional upon confirmation by the GM of Transportation Services that it is feasible to permanently close the highway.

(J) Disposal authorities in A.7 are subject to the property having been declared surplus, and the disposal policy complied with.

(K) Land exchanges, except for those in A.8, may be authorized based on the delegated Approving Authority for disposals in A.7.

(L) Approving Authority with respect to land located in the Designated Waterfront Area, as defined in the Toronto Waterfront Revitalization Corporation Act, 2002, is conditional upon the approval of the Director, Waterfront Secretariat.

(M) Authority to approve an exchange of land in A.8(2), (3) and (4) is conditional upon confirmation by the Chief Planner and Executive Director of City Planning, and the GM of Parks, Forestry & Recreation, that the land being exchanged is (i) nearby land of equivalent or larger area, and (ii) of comparable or superior green space utility.

(N) Approving Authority in leasing matters (A.9) (City as Landlord), but not licences, is limited to periods (including options/renewals) of less than twenty-one (21) years, as leases of 21 years or more may be authorized based on the delegated Approving Authority for disposals in A.7.

(O) Total compensation in leasing matters where the City is landlord (A.9) includes the value of tenant improvements if factored into tenant's rental payments.

(P) Total compensation in leasing matters where the City is the tenant (A.10) includes the value of any tenant improvements to be paid by the City.

(Q) Where options/renewals are included in leases, if the renewal rent is to be determined at a date later than the original approval date, total compensation is to be calculated as though all options are exercised, estimating the renewal rent based on the highest rent payable in the first term of the lease.

(R) Total compensation in leasing matters where the City is landlord (A.9) or tenant (A.10) is to be calculated from the date of approval pursuant to this delegation (i.e., first allowing for the expiry of any prior approvals, whether by Council or a delegated authority).

(S) Approving Authority in leasing matters includes authority to approve renewals/extensions within the parameters of the delegated Approving Authority.

(T) Approving Authority includes authority for amendments within the parameters of the delegated Approving Authority, the cumulative total of which may not exceed the delegated financial limit.

(U) Where proposed additional amounts in A.13 exceed 10 per cent of the original decision, even if otherwise in compliance with all other conditions, then Approving Authority is transferred upwards to the next more senior level of Approving Authority having the relevant overall financial limit.

(V) Approving Authority includes authority for all documents necessary to implement the authority, including ancillary agreements, on terms and conditions satisfactory to the Approving Authority, in consultation with the relevant operating Division(s).

(W) Staff positions referred to in this delegation include successors from time to time.

(X) Documents are to be in a form satisfactory to the City Solicitor (including indemnity and insurance provisions).

(Y) Delegated signing authorities in B are conditional upon the documents having received the City Solicitor's prior "Approval as to Form".

(Z) Authority to use land acquired by the City for parking purposes by the Toronto Parking Authority is conditional upon Council enacting a by-law designating such use.

(AA) All residential leasing documents shall adhere to the Residential Tenancies Act, 2006 and any successor legislation.

(BB) Despite GC (n), Approving Authority in residential leasing matters is not limited to periods of less than twenty-one (21) years and total compensation in residential leasing matters where the City is landlord is to be calculated based on an assumed term of ten years unless the lease term expressly identified therein is longer.

(CC) Where Approving Authority has been delegated to the Manager level, such authority shall be conditional upon the Manager first having secured the written concurrence of a second Manager within the Real Estate Services Division.

Note: The delegation of authorities in real estate matters is reflected by the placement of bullets (●) on the chart in this Appendix A.

A. Approving Authority	(1) City Manager	(2) Deputy City Manager & Chief Financial Officer	(3) Chief Corporate Officer	(4) Director of Real Estate Services	(5) Manager, Real Estate Services
1. Acquisitions	● Where total compensation does not exceed \$10 million	● Where total compensation does not exceed \$5 million	● Where total compensation does not exceed \$3 million	● Where total compensation does not exceed \$1 million	● (new) Where total compensation does not exceed \$50,000
2. Expropriations	● Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 Million	● Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 million	● Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 million	● Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 million	● (new) Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000
3. Issuance of RFPs/REOIs		● (new) Issuance of RFPs/REOIs	● Issuance of RFPs/REOIs	● (new) Issuance of RFPs/REOIs	
4. Permanent Highway Closures		● (new) Initiate process and authorize GM of Transportation to give notice of proposed by-law	● Initiate process and authorize GM of Transportation to give notice of proposed by-law	● (new) Initiate process and authorize GM of Transportation to give notice of proposed by-law	
5. Transfer of Operational Management to Divisions, Agencies and Corporations		● (new) Transfer of Operational Management to Divisions, Agencies and Corporations	● Transfer of Operational Management to Divisions, Agencies and Corporations		
6. Limiting Distance Agreements	● Where total compensation does not exceed \$10 million	● Where total compensation does not exceed \$5 million	● Where total compensation does not exceed \$3 million	● Where total compensation does not exceed \$1 million	● (new) Where total compensation does not exceed \$50,000
7. Disposals: (including Leases of 21 years or more)	● Where total compensation does not exceed \$10 million	● Where total compensation does not exceed \$5 million	● Where total compensation does not exceed \$3 million	● Where total compensation does not exceed \$1 million	● (new) Where total compensation does not exceed \$50,000

A. Approving Authority	(1) City Manager	(2) Deputy City Manager & Chief Financial Officer	(3) Chief Corporate Officer	(4) Director of Real Estate Services	(5) Manager, Real Estate Services
8. Exchange land in Green Space System and Parks and Open Space Areas of Official Plan		<ul style="list-style-type: none"> ●(new) Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan 	<ul style="list-style-type: none"> ● Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan 	<ul style="list-style-type: none"> ●(new) Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan 	
9. Leases/ Licences (City as Landlord/ Licensor)	<ul style="list-style-type: none"> ● Where total compensation (including options/renewals) does not exceed \$10 Million 	<ul style="list-style-type: none"> ● (a) Where total compensation (including options/renewals) does not exceed \$5 Million ● (b) Where compensation is less than market value, for periods not exceeding twelve (12) months including licences for environmental assessments and/or testing, etc. 	<ul style="list-style-type: none"> ● (a) Where total compensation (including options/renewals) does not exceed \$3 Million ● (b) (new) Where compensation is less than market value, for periods not exceeding twelve (12) months including licences for environmental assessments and/or testing, etc. 	<ul style="list-style-type: none"> ● (a) Where total compensation (including options/renewals) does not exceed \$1 Million ● (b) (new) Where compensation is less than market value, for periods not exceeding six (6) months including licences for environmental assessments and/or testing, etc. 	<ul style="list-style-type: none"> ●(new) (a) Where total compensation (including options/renewals) does not exceed \$50,000 ● (b) Where compensation is less than market value, for periods not exceeding three (3) months including licences for environmental assessments and/or testing, etc.
10. Leases/ Licences (City as Tenant/ Licensee)	<ul style="list-style-type: none"> ● Where total compensation (including options/renewals) does not exceed \$10 Million 	<ul style="list-style-type: none"> ● Where total compensation (including options/renewals) does not exceed \$5 Million 	<ul style="list-style-type: none"> ● Where total compensation (including options/renewals) does not exceed \$3 Million 	<ul style="list-style-type: none"> ● Where total compensation (including options/renewals) does not exceed \$1 Million 	<ul style="list-style-type: none"> ●(new) Where total compensation (including options/renewals) does not exceed \$50,000

A. Approving Authority	(1) City Manager	(2) Deputy City Manager & Chief Financial Officer	(3) Chief Corporate Officer	(4) Director of Real Estate Services	(5) Manager, Real Estate Services
11. Easements (City as Grantor)	<ul style="list-style-type: none"> Where total compensation does not exceed \$10 Million 	<ul style="list-style-type: none"> (a) Where total compensation does not exceed \$5 Million (b) (new) When closing roads, easements to pre-existing utilities for nominal consideration 	<ul style="list-style-type: none"> (a) Where total compensation does not exceed \$3 Million (b) (new) When closing roads, easements to pre-existing utilities for nominal consideration 	<ul style="list-style-type: none"> (a) Where total compensation does not exceed \$1 Million (b) When closing roads, easements to pre-existing utilities for nominal consideration 	<ul style="list-style-type: none"> (new) Where total compensation does not exceed \$50,000
12. Easements (City as Grantee)	<ul style="list-style-type: none"> Where total compensation does not exceed \$10 Million 	<ul style="list-style-type: none"> Where total compensation does not exceed \$5 Million 	<ul style="list-style-type: none"> Where total compensation does not exceed \$3 Million 	<ul style="list-style-type: none"> Where total compensation does not exceed \$1 Million 	<ul style="list-style-type: none"> (new) Where total compensation does not exceed \$50,000
13. Revisions to Council Decisions in Real Estate Matters	<ul style="list-style-type: none"> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)) 	<ul style="list-style-type: none"> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)) 	<ul style="list-style-type: none"> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)) 	<ul style="list-style-type: none"> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)) 	
14. Miscellaneous		<ul style="list-style-type: none"> (a) Approvals, Consents, Notices and assignments under all Leases/Licences (b) Releases/Discharges (c) Surrenders/Abandonments (d) Enforcements/Terminations (e) Consents / Non Disturbance Agreements / Acknowledgments / Estoppel Certificates (f) Objections / Waivers / Cautions (g) Notices of Lease and Sublease (h) Consent to regulatory applications by City, as owner (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title (j) Documentation relating to Land Titles applications (k) Correcting/ Quit Claim Transfer/Deeds 			

B. Signing Authority General Conditions - Documents are to be in a form satisfactory to the City Solicitor (including indemnity and insurance provisions) - Documents must have received the City Solicitor's prior "Approval as to Form"					
	(1) City Manager	(2) Deputy City Manager and Chief Financial Officer	(3) Chief Corporate Officer	(4) Director of Real Estate Services	(5) Manager, Real Estate Services
1.	In addition to corporate signing authorities, all positions having Approval Authority pursuant to this delegated authority also have signing authority on behalf of the City for documents required to implement any such approval.				
2.		Council-approved expropriations, in addition to corporate signing authorities, any one of the Deputy City Manager and Chief Financial Officer, Chief Corporate Officer, Director of Real Estate Services and Manager of Acquisitions and Expropriations may sign Applications and Notices.			
3.		For purchases, sales and land exchanges not delegated to staff for approval, in addition to corporate signing authorities, any one of the Deputy City Manager and Chief Financial Officer, Chief Corporate Officer and Director of Real Estate Services may execute Agreements of Purchase and Sale and Land Exchange Agreements, and all implementing documentation, on behalf of the City.			

APPENDIX B - Listed Agencies and Excluded Items

Listed Agencies:

- Exhibition Place
- Public Health
- Toronto Parking Authority
- Toronto Police Services
- Toronto Public Library
- Toronto Transit Commission
- Toronto Zoo
- Heritage Toronto
- Toronto Atmospheric Fund

Excluded items:

- Licences, Permits and/or Encroachments for which approving authority has otherwise been delegated by City Council and such authority is not rescinded pursuant to the Report to which this Appendix B is attached.
- Toronto Transit Commission, Toronto Public Library and Exhibition Place shall, for the period commencing January 1, 2018 and ending December 31, 2018, be permitted to continue with the existing delegated approval process solely with respect to leases of retail or commercial space over which they have operational management that do not exceed a term of four (4) years.