

**DELEGATED APPROVAL FORM
CHIEF CORPORATE OFFICER
DIRECTOR OF REAL ESTATE SERVICES**

TRACKING NO.: 2015-079

Approved pursuant to the Delegated Authority contained in Executive Committee Item EX43.7 entitled "Delegation of Authority in Certain Real Estate Matters" adopted by City Council on May 11 and 12, 2010 (City Council confirmatory By-law No. 532-2010, enacted on May 12, 2010), as amended by GM24.9 entitled "Minor Amendments to Delegation of Authority in Certain Real Estate Matters" adopted by City Council on October 8, 9, 10 and 11, 2013 (City Council confirmatory By-Law No. 1234-2013 enacted October 11, 2013), as amended by DAF 2013-307 and DAF 2014-087.

Approved pursuant to the Delegated Authority contained in Executive Committee Item EX33.44 entitled "Union Station Revitalization Implementation and Head Lessee Selection" adopted by City Council on August 5 and 6, 2009. City Council confirmatory By-Law No. 749-2009, enacted on August 6, 2009.

| | | | |
|----------------|----------------|------------|----------------------|
| Prepared By: | Bruno Iozzo | Division: | Real Estate Services |
| Date Prepared: | April 27, 2015 | Phone No.: | (416) 392-8151 |

| | |
|-------------------------|---|
| Purpose | To obtain authority for the City of Toronto (the "City") to enter into an easement agreement as part of a site plan agreement (the "Agreement") with Freed (King Church) Investments Ltd. (the "Owner"). Through the proposed Agreement, the City will acquire new easements for the access, support and operating of a new temporary and permanent storm sewer works (collectively the "Replacement Easements") on a portion of the Property described below. The City will also release the existing storm sewer easement (the "1984 Easement") from the Property. |
| Property | The "L" shaped development site known as 101 King Street East and 54-70 Colborne Street, Toronto, Ontario (the "Property"). The 1984 Easement is located on a portion of the Property (the "1984 Easement Lands"). The storm sewer works to be installed under the Replacement Easements will be located on a stratified portion of the 1984 Easement Lands. Appendix "A" displays the location of the Property and the 1984 Easement Lands. |
| Actions | <ol style="list-style-type: none"> Authority be granted to enter into the Agreement to acquire the Replacement Easements, release the 1984 Easement and other transactions contemplated in the Agreement, substantially on the terms set out under the "Terms" section of this report and upon such other terms as are satisfactory to the City Solicitor. The City Solicitor be authorized to complete all transactions contemplated in the Agreement on behalf of the City, including the payment of any necessary expenses and amending and waiving terms and conditions of the Agreement, on such terms as she considers reasonable. The Executive Director of Engineering and Construction Services and General Manager of Toronto Water or their designate be severally authorized to administer and manage the Agreement including the provision of any consents, approvals, waivers, and notices provided that either of them may, at any time, refer consideration of such matters to City Council for its determination and direction. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto. |
| Financial Impact | The release of the 1984 Easement will generate revenue in the amount of \$128,000. These funds will be contributed to the Land Acquisition Reserve Fund (XR1012). There are no costs associated with the acquisition of the Replacement Easements. |
| Comments | <p>The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p> <p>By Decision # PL121394 & PL 121415, the Ontario Municipal Board approved the site plan agreement (the "Approved SPA") for the Owner to develop a 25-storey mixed use condominium building containing 254 units and a 5-level below-grade parking garage.</p> <p>In order for the Owner to proceed with the development, the Owner and the City are required to execute an agreement addressing the existing and future storm water drainage issues related to the site. These issues include the Owner's need to obtain a release of the 1984 Easement to permit the decommissioning of the existing storm sewer to carry out construction activities on the 1984 Easement Lands and the continuity of storm sewer service to the Property and adjacent lands.</p> <p>The proposed Agreement addresses the outstanding storm sewer issues by providing for an initial temporary sewer service, a later permanent service and a release of the 1984 Easement (subject to the City's approval of the temporary sewer service).</p> <p>The approved temporary service will be made operational while the Owner constructs and obtains the City's acceptance of the permanent service. Once approved by the City, the permanent works will be commissioned into service. The Owner will warranty the works for a 5-year term (after which, the City will assume the permanent works).</p> <p>The Replacement Easements will provide the City with the rights to operate the temporary and permanent storm sewer works and will include the rights to use, access, repair, maintain and replace the works.</p> <p>The new temporary and permanent storm sewer easements contemplated in the Agreement will encumber only a stratified layer of the 1984 Easement Lands. The benefits of the new Replacement Easements are considered equivalent to those of the 1984 Easement. The terms of the Agreement have been reviewed and approved by the Engineering & Construction Services ("ECS") and Toronto Water ("TW") Divisions.</p> |
| Terms | Please see Page #4. |

| | | |
|-------------------------|-----------------------------|------------------------------|
| Property Details | Ward: | 28 – Toronto Centre-Rosedale |
| | Assessment Roll No.: | 1904064270008110000 |
| | Approximate Size: | N/A |
| | Approximate Area: | 1,478 ft ² |
| | Other Information: | N/A |

| A. | Director of Real Estate Services has approval authority for: | Chief Corporate Officer has approval authority for: |
|--|--|---|
| 1. Acquisitions: | <input type="checkbox"/> Where total compensation does not exceed \$1 Million. | <input type="checkbox"/> Where total compensation does not exceed \$3 Million. |
| 2. Expropriations: | <input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million. | <input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million. |
| 3. Issuance of RFPs/REOs: | Delegated to a more senior position. | <input type="checkbox"/> Issuance of RFPs/REOs. |
| 4. Permanent Highway Closures: | Delegated to a more senior position. | <input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law. |
| 5. Transfer of Operational Management to ABCDs: | Delegated to a more senior position. | <input type="checkbox"/> Transfer of Operational Management to ABCDs. |
| 6. Limiting Distance Agreements: | <input type="checkbox"/> Where total compensation does not exceed \$1 Million. | <input type="checkbox"/> Where total compensation does not exceed \$3 Million. |
| 7. Disposals (including Leases of 21 years or more): | <input type="checkbox"/> Where total compensation does not exceed \$1 Million. | <input type="checkbox"/> Where total compensation does not exceed \$3 Million. |
| 8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan: | Delegated to a more senior position. | <input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan. |
| 9. Leases/Licences (City as Landlord/Licenser): | <input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$1 Million; <input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding three (3) months, including licences for environmental assessments and/or testing, etc. | <input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 Million; <input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding six (6) months, including licences for environmental assessments and/or testing, etc. |
| 10. Leases/Licences (City as Tenant/Licensee): | <input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million. | <input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million. |
| 11. Easements (City as Grantor): | <input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million. <input type="checkbox"/> (b) When closing road, easements to pre-existing utilities for nominal consideration. | <input type="checkbox"/> Where total compensation does not exceed \$3 Million. Delegated to a less senior position. |
| 12. Easements (City as Grantee): | <input checked="" type="checkbox"/> Where total compensation does not exceed \$1 Million. | <input type="checkbox"/> Where total compensation does not exceed \$3 Million. |
| 13. Revisions to Council Decisions in Real Estate Matters: | <input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and may include increase not to exceed the amount of the original decision by the lesser of 10 per cent and \$500,000). | <input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and may include increase not to exceed the amount of the original decision by the lesser of 10 per cent and \$1 Million). |
| 14. Miscellaneous: | <input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences; <input checked="" type="checkbox"/> (b) Releases/Discharges; <input type="checkbox"/> (c) Surrenders/Abandonments; <input type="checkbox"/> (d) Enforcements/Terminations; <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates; <input type="checkbox"/> (f) Objections/Waivers/Cautions; <input type="checkbox"/> (g) Notices of Lease and Sublease; <input type="checkbox"/> (h) Consent to regulatory applications by City, as owner; <input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title; <input type="checkbox"/> (j) Documentation relating to Land Titles applications; <input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds. | <input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences; <input type="checkbox"/> (b) Releases/Discharges; <input type="checkbox"/> (c) Surrenders/Abandonments; <input type="checkbox"/> (d) Enforcements/Terminations; <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates; <input type="checkbox"/> (f) Objections/Waivers/Cautions; <input type="checkbox"/> (g) Notices of Lease and Sublease; <input type="checkbox"/> (h) Consent to regulatory applications by City, as owner; <input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title; <input type="checkbox"/> (j) Documentation relating to Land Titles applications; <input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds. |

B. Chief Corporate Officer and Director of Real Estate Services each has signing authority on behalf of the City for:

- 1. Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.
- 2. Expropriation Applications and Notices following Council approval of expropriation.
- 3. Documents required to implement the delegated approval exercised by him.

Chief Corporate Officer also has approval authority for:

- Leases/licences/permits at Union Station during the Revitalization Period, if the rent/fee is at market value.

| Consultation with Councillor(s) | | | | | | | | | |
|-------------------------------------|---|-------------------------------------|--------|----------------|------|----------------------|--------------------|--|--|
| Councillor: | Pam McConnell | | | | | Councillor: | | | |
| Contact Name: | Thomas Davidson | | | | | Contact Name: | | | |
| Contacted by: | Phone | <input checked="" type="checkbox"/> | E-Mail | | Memo | | Other | | |
| Comments: | Concurrence provided | | | | | Comments: | | | |
| Consultation with ABCDs | | | | | | | | | |
| Division: | Lucia Stanciu / Paul Albanese | | | | | Division: | Financial Planning | | |
| Contact Name: | Engineering & Construction Services / Toronto Water | | | | | Contact Name: | Anthony Ng | | |
| Comments: | Supports the acquisition & release of easements | | | | | Comments: | Comments included | | |
| Legal Division Contact | | | | | | | | | |
| Contact Name: | Frank Walsh | | | | | | | | |
| DAF Tracking No.: 2015-079 | | | | Date | | Signature | | | |
| Recommended by: | | Manager | | April 28, 2015 | | Signed by Tim Park | | | |
| <input type="checkbox"/> | Recommended by: Director of Real Estate Services | | | April 29, 2015 | | Signed by Joe Casali | | | |
| <input checked="" type="checkbox"/> | Approved by: Joe Casali | | | | | | | | |
| <input type="checkbox"/> | Approved by: Chief Corporate Officer | | | | | | | | |
| | Josie Scioli | | | | | | | | |

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.
- (b) Where approving power has been delegated to staff, the Chief Corporate Officer, in consultation with the applicable Deputy City Manager 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 is available from alternative sources].
- (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.
- (i) Authority to initiate the permanent road closure process in **A.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 is conditional upon the approval of the Director, Waterfront Secretariat.
- (m) Authority to approve an exchange of land in **A.8** is conditional upon confirmation by the Chief Planner and Executive Director, 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 **A.9** Leases (City as Landlord) but not Licences (City as Licensor) is limited to periods (including options/renewals) of less than twenty-one (21) years.
- (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 (ie. 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, 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) This delegation does not affect sales, acquisitions and leases over which the Affordable Housing Committee has responsibility.
- (aa) 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.
- (bb) All residential leasing documents shall adhere to the *Residential Tenancies Act* and any successor legislation.
- (cc) Despite GC(n), Approving Authority in residential leasing matters is not limited to periods of less than twenty-one (21) years.

Terms (continued from page 1)

Under the terms of the Agreement, the Owner agrees to perform the following obligations, at the Owner's risk and expense:

- (1) To carry out construction of the permanent and temporary storm sewer works in accordance with, accepted engineering drawings, applicable laws and plans and specifications approved by ECS;
- (2) To permit access and oversight of sewer construction to ECS;
- (3) To ensure that users of the works installed under 1984 Easement, have access to storm sewer services at all times until the permanent sewers works are assumed by the City;
- (4) To satisfy pre-conditions imposed by ECS prior to obtaining a release for construction of any sewer works, including delivery to the City of:
 - (a) \$128,000 for the release of the 1984 Easement;
 - (b) the City's engineering and inspection fees;
 - (c) a letter of credit to secure performance of the Owner's construction obligations; and
 - (d) proof of liability insurance for not less than \$5,000,000.00.
- (5) To indemnify the City for losses it may suffer related to the construction and operation of the temporary and permanent sewer works, including losses related to any construction liens;
- (6) To guarantee the workmanship and materials employed in construction the new sewer works for a 5-year period from the City's acceptance of the same;
- (7) To convey the Replacement Easements to the City at the time that the City accepts the temporary storm sewer easements; and
- (8) To provide a title opinion to the City confirming the Owner's good title to the Property at the time that the Replacement Easements are conveyed to the City and that the Replacement Easements have priority over all mortgages and other encumbrances affecting the Property.

Appendix "A" – 101 King Street East & 54-70 Colborne Street

