

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

Tracking No: 2016-258

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:	Daran Somas	Division:	Real Estate Services
Date Prepared:	December 12, 2016	Phone No.:	416 397 7671

Purpose To obtain authority to enter into a lease amending and extension agreement with Lakemount Developments Inc. (the "Landlord") for one hundred (100) parking spaces in the garage situated at 10 Gateway Blvd., for various City divisions staff located at 703 Don Mills Rd, retroactive to April 1, 2015.

Property 10 Gateway Boulevard, situated east of Don Mills Rd., south of Eglinton Ave. E. (Ward 26 – Don Valley West).

Actions

- 1) authority be granted for the City to enter into a lease amending and extension agreement with the Landlord for one hundred (100) parking spaces at 10 Gateway Blvd. substantially on the terms and conditions described in Appendix "A", together with any ancillary non-disturbance agreements with the Landlord and/or the Landlord's mortgagees, all in form acceptable to the City Solicitor;
- 2) the Chief Corporate Officer (the "CCO") shall administer and manage the lease and any non-disturbance agreements including the provision of any consents, approvals, waivers, notices and notices of termination provided that the CCO may, at any time, refer consideration of such matter (including their content) to City Council for its determination and direction; and
- 3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

The total expenditure to the City will be \$395,702.19 (plus HST) or \$402,666.54 (net of HST recoveries) for the five (5) year term. If the City elects to exercise its option it will be estimated at \$476,468.70 (plus HST) or \$584,854.55 (net of HST recoveries). Funding for the parking costs are available in 2016 Council Approved Operating Budget for Information & Technology for \$273,910.63 under cost centre IT1001, Transportation Services for \$9,453.60 under cost centre TP0206, Policy, Planning, Finance & Administration (PPF&A) for \$52,949.30 under cost centre DB3000, Toronto Paramedic Services \$22,062.21 under cost centre B33100, and Fire Services for \$44,124.42 under cost centre FR0013. Future costs will be submitted for the respective years' operating budget submissions.

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

Comments

By adoption of DAF 2006-146 dated September 7, 2006 authority was granted to enter into a three (3) year lease agreement with Western Industrial Group (Gateway) Inc. for sixty (60) parking spaces in the garage situated at 10 Gateway Blvd, for Information and Technology Division staff located at 703 Don Mills Road. Western Industrial Group Inc. sold those parking units to Lakemount Developments Inc. as of April 2, 2007. In March 19, 2010, by adoption of DAF 2010-048 the City entered into a 6 year lease agreement with Lakemount Developments Inc. for sixty five (65) parking spaces at 10 Gateway Blvd. The Term of the said 6 year lease expired June 30, 2015 but the City continues to occupy the parking spaces on an over-hold basis.

Further, Transportation Services, Office of Emergency Services, Fire Services and Paramedic Services, requested an additional Thirty-five (35) parking spots, for a total of one hundred (100) parking spaces in the garage. The Divisions commenced occupation of the additional thirty-five parking spots on April 1, 2015. The rental rate will be Sixty-five (\$65.00) Dollars, per month, plus HST, per parking space and will be increased by 3.00% per annum throughout the term on July 1st of every year. The extended term is for five (5) years which will commence retroactively on July 1st, 2015 with the option to renew for one (1) year. The City shall be entitled to cancel any or all of the parking spaces during the lease term by giving the landlord not less than sixty (60) days prior written notice.

Effective December 1, 2016 transportation Services will not need the use of their eight (8) dedicated spots.

Real Estate Services staff considers the proposed terms and conditions in the Agreement to be fair and reasonable.

Terms Terms and conditions on Page 4.

Property Details	Ward:	26 – Don Valley West
	Assessment Roll No.:	N/A
	Approximate Size:	N/A
	Approximate Area:	N/A
	Other Information:	

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

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:		John Parker			Councillor:				
Contact Name:		Joan Henry			Contact Name:				
Contacted by:		Phone	x	E-Mail		Memo		Other	
Comments:		Consent			Comments:				
Consultation with ABCDs									
Division:		Various (IT, Transportation, Paramedic Services, etc)			Division:		Financial Planning/Business I & I Finance		
Contact Name:		N/A			Contact Name:		Filisha Mohammed		
Comments:		Consent			Comments:		Consent		
Legal Division Contact									
Contact Name:		Kathleen Kennedy							
DAF Tracking No.: 2016 - 258				Date		Signature			
Recommended by: Manager Wayne Duong, Mgr. Leasing & Site Mgt				Dec/14/2016		Sgd.\ Wayne Duong			
<input type="checkbox"/> Recommended by: Director of Real Estate Services Joe Casali				Dec/19/2016		Sgd.\ Joe Casali			
<input checked="" type="checkbox"/> Approved by:									
<input type="checkbox"/> Approved by: Chief Corporate Officer Josie Scioli						X			

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.

Appendix "A"

Major terms and conditions Lease Amending and Extension Agreement

Premises:

10 Gateway Boulevard Parking Garage

Extended Term:

5 years – commencing retroactively on July 1st, 2015 and ending on June 30th, 2020

Tenant:

City of Toronto
 Information & Technology: 65 Stalls
 Transportation Services: 8 Stalls (07/01/2015 – 12/01/2016)
 Office of Emergency Management: 12 stalls
 Fire Services: 10 stalls
 Paramedic Services: 5 stalls
 Total: 100 stalls

Basic Rent:

Total # of Parking Spots: 92
 Current rate is at \$65/stall, increasing at 3.00% per annum

	Start	End	Per stall	Per Month	Per Annum
Year 1	07/01/2015	06/30/2016	\$ 65.00	\$ 5,980.00	\$ 71,760.00
Year 2	07/01/2016	06/30/2017	\$ 66.95	\$ 6,159.40	\$ 73,912.80
Year 3	07/01/2017	06/30/2018	\$ 68.96	\$ 6,344.18	\$ 76,130.18
Year 4	07/01/2018	06/30/2019	\$ 71.03	\$ 6,534.51	\$ 78,414.09
Year 5	07/01/2019	06/30/2020	\$ 73.16	\$ 6,730.54	\$ 80,766.51
Total				\$31,748.63	\$380,983.59

8 Spots for Transportation Services

July 1, 2015 - June 30, 2016	\$65.00	\$6,240.00
July 1, 2016 - November 30, 2016	\$66.95	<u>\$3,213.60</u>
Total		<u>\$9,453.60</u>

Additional \$6,825.00 plus HST for the additional 35 stalls between the months of April 2015 to June 30, 2015, shared between Transportation Services (\$1,560.00), Office of Emergency Management (\$2,340.00), Fire Services (\$1,950.00), and Paramedic Services (\$975.00).

Total Financial Impact after 5 year term is \$402,666.54 plus HST

Termination:

The City shall be entitled to cancel any or all of the parking spaces during the lease term by giving the landlord not less than sixty (60) days prior written notice

Option to Extend:

The extended term is for five (5) years which will commence retroactively on July 1st, 2015 with the option to renew for one (1) year exercisable by the Tenant. The Rent will be at then market rates as negotiated by the parties

Insurance:

The City at its own expense, throughout the duration of the term, shall keep comprehensive general liability insurance, to a minimum limit of two million dollars (\$2,000,000) for each occurrence.

Location Map 10 Gateway Blvd.

