

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

TRACKING NO.: 2017-010

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 (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 (Confirmatory By-Law No. 1234-2013, enacted October 11, 2013), as amended by DAF 2013-307 and DAF 2014-087; and further amended by EX44.22 entitled "Strategic Property Acquisitions" adopted by City Council on August 25, 26, 27 and 28, 2014 (Confirmatory By-law No.1074-2014, enacted on August 28, 2014).

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:	Jack Harvey	Division:	Real Estate Services
Date Prepared:	January 3, 2017	Phone No.:	7-7704

Purpose	To obtain authority to enter into a Lease Confirmation & Amending Agreement between Birchcliff Core-Harbour Inc. ("Birchcliff") and the City of Toronto (The "Tenant") to confirm and amend the City's tenancy on the terms as outlined on Page 4.
Property	1673 Kingston Road
Actions	<ol style="list-style-type: none"> 1. Authority be granted to enter into a Lease Confirmation & Amending Agreement between Birchcliff Core-Harbour Inc. (the "Landlord") and the City of Toronto (The "Tenant") to confirm and amend the City's tenancy and other terms and as outlined in page 4, and on such other terms as may be acceptable to the Chief Corporate Officer and in a form acceptable to the City Solicitor; 2. the Chief Corporate Officer or designate shall administer and manage the agreement including the provision of any consents, approvals, waivers, notices and notices of termination provided that the Chief Corporate Officer may, at any time, refer consideration of such matter 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	<p>Basic Rent of \$336,000 per year (\$28,000. per month). There is sufficient funding for this lease in the 2017 Council Approved Operating Budget for Shelter, Support and Housing Administration. Funding requirements for 2016-2020 will be included in the respective year's operating budget submission for Shelter, Support & Housing Administration and will be accommodated within approved operating budget targets.</p> <p>The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	The City (as tenant) and 741290 Ontario Inc. (as landlord) entered into a lease agreement dated September 1, 1999 (the "Lease") in respect of the Property whereby the City leased the Property on the terms set out in the Lease for the purposes of providing a hostel facility to provide shelter services for homeless people. Birchcliff entered into an agreement of purchase and sale with 741290 Ontario Inc. dated May 11, 2016 (the "Purchase Agreement"), with the intention of purchasing the Property and assuming the Lease on a month-to-month basis; and satisfy itself in its due diligence investigations, and to facilitate Birchcliff's prospective assumption of the Lease on definitive terms, Birchcliff requires certain confirmations be made and terms amended in respect of the Lease.
Terms	See Page 4.

Property Details	Ward:	36 – Scarborough Southwest
	Assessment Roll No.:	N/A
	Approximate Size:	Approximately 22,000 square feet
	Approximate Area:	
	Other Information:	

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: N/A	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/Licensor):	<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 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 checked="" 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.	<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:	Gary Crawford					Councillor:								
Contact Name:	Gail Ross					Contact Name:								
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Contacted by:	Phone		E-mail		Memo		Other
Comments:	To be obtained					Comments:								
Consultation with ABCDs														
Division:	Shelter Support & Housing					Division:								
Contact Name:	Gordon Tanner					Contact Name:								
Comments:	Approved					Comments:								
Legal Division Contact														
Contact Name:	Soo Kim Lee													
DAF Tracking No.: 2017-010					Date			Signature						
Recommended by: Wayne Duong, Mgr. Leasing & Site Mgt.					Jan/3/2017			Sgd.\ Wayne Duong						
<input checked="" type="checkbox"/>	Recommended		Director of Real Estate Services		Jan/9/2017			Sgd.\ Joe Casali						
<input type="checkbox"/>	Approved by:		Joe Casali											
<input type="checkbox"/>	Approved by:		Chief Corporate Officer					X						
			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.

Major Terms & Conditions

Property: 1673 Kingston Road

Term and Rent Deposit

The parties confirm that the initial term and renewal option as provided in the Lease have expired and that in accordance with Section 14(3) of the Lease, the tenancy is continuing on a month-to-month basis. Birchcliff (the "Landlord") or the City (the "Tenant") may terminate the Lease by providing one (1) month prior written notice to the other, but not before November 30, 2017.

In accordance with Section 2 (2) of the Lease, the Tenant paid a Deposit in the sum of Forty-Eight Thousand (\$48,000.00) Dollars, to be applied to first and last month's Minimum Rent. Of this amount, \$24,000.00 has been applied to first month's rent. At the expiry of the Term, the Landlord shall forthwith pay to the Tenant, interest on the Deposit at the rate of Five (5%) per annum, and apply the balance of the Deposit to last month's Minimum Rent.

Right of First Refusal

The Tenant hereby waives its right of first refusal in relation to purchase of any and all of the Kingston Road Properties, defined in the Lease as 1665, 1669 and 1673 Kingston Road, and which may include 1663 Kingston Road.

Use of Property

The Tenant acknowledges that the Landlord intends to redevelop the Property and agrees that the Landlord may make certain exterior changes and alterations to the Property for marketing purposes, which may include, without limitation, providing street front hoarding and signage, painting the exterior of any buildings on the Property, and building a sales centre on adjoining lands. Notwithstanding anything contained in the Lease, and subject to ensuring that occupants of Birchmount have pedestrian access to Kingston Road at all times, the Tenant shall not object to or interfere with the any such changes or alterations and upon at least forty-eight (48) hours prior written notice, shall grant the Landlord with such access as may be reasonably necessary to complete such changes and alterations. The Landlord acknowledges that the Residents have access to the front of the Property, and agrees that it will not remove the existing Gazebo at the Property during the Term, on the understanding that it will be behind the hoarding and signage described above, and, if necessary, may be moved by the Landlord to accommodate such hoarding and signage.

Tenant Confirmation

The Tenant confirms the following to the best of its knowledge, in relation to the residents of Birchmount, for the purposes of characterizing the said residents:

- (a) Birchmount Residence is a shelter for homeless men over the age of fifty-five (55).
- (b) The residents of Birchmount Residence do not pay rent and do not sign accommodation agreements with the Tenant;
- (c) Residents are offered nursing, counselling and mental health services;
- (d) The program is voluntary and the residents can leave at any time; and
- (e) Accommodation at Birchmount is intended to be provided on a temporary basis; and

All other terms and conditions of the Lease remain in force and effect unamended and time shall continue to be of the essence.

LOCATION MAP
1673 Kingston Road

