

DELEGATED APPROVAL FORM CHIEF CORPORATE OFFICER DIRECTOR OF REAL ESTATE SERVICES

TRACKING NO.: 2016-129

X 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, and further amended by EX44.22 entitled "Strategic Premises 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. Prepared By: Adam Pressick Division: Real Estate Services Date Prepared: July 7, 2016 Phone No.; (416) 392-1166

Ртератей Бу.	Adam Pressick Division. Real Estate Services									
Date Prepared:	July 7, 2016	Phone No.:	(416) 392-1166							
Purpose	To obtain authority for the City, as owner of the Property, as defined below, to enter into the following agreements with Enbridge Gas Distribution Inc. ("Enbridge"): (i) a lease (the "Lease") to permit Enbridge to construct, operate, maintain and repair a natural gas regulating facility (the "Facility") on a portion of the Property (the "Premises"); and (ii) a licence (the "Licence") to permit access, temporary construction activities materials and soil storage and other uses related to the construction of the Facility on portions of the Property adjacent to the Premises.									
Premises	Part of Lot 14, Plan 4087, Toronto, municipally known as 21 Ashtonbee Road (the "Property"). The location of the Property is shown on Schedule "A", the leased premises are shown as Parts 1 and 2 on Schedule "B" (the "Premises"), and the areas subject to the Licence are shown as areas 2 through 9 on Schedule "C" (the "Licensed Area").									
Actions	 The City enter into the Lease with Enbridge on the terms and conditions set on Page 4 hereof and on any other or amended terms and conditions as may be determined as appropriate by the Chief Corporate Officer (the "CCO") and in a form acceptable to the City Solicitor; The City enter into the Licence with Enbridge on the terms and conditions set on Page 5 hereof and on any other or amended terms and conditions as may be determined as appropriate by the CCO and in a form acceptable to the City Solicitor; 									
	3. The CCO or her designate administer and manage the Lease and the Licence, 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 matters to City Council for its determination and direction;									
	4. The appropriate City officials are au	uthorized and directed to ta	ike the necessary action to give effect thereto.							
Financial Impact	The Lease and Licence will generate \$368,931.39 plus HST, broken down as follows: (i) \$345,552.25, plus HST in Basic Rent under the Lease; and (ii) \$23,379.18 plus HST as a Licence Fee under the Licence, both to be paid in full before commencement. The Lease also requires Enbridge to pay, on demand, \$13,700.22 plus HST in satisfaction of the fee required for a proposed easement from the City to Toronto Hydro servicing the Facility, for which separate authority will be sought.									
	The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.									
Comments	Enbridge has requested a Lease in order to construct, operate, repair and maintain the Facility on the Premises to serve current and future natural gas demand within the east Toronto area, for a term of 20 years. The Licence will allow Enbridge necessary access, storage and other construction related activities, during the period of construction of the Facility, on portions of the Property adjacent to the Premises. Enbridge also requires the City to grant a temporary easement, for electrical service to the Facility, in favour of Toronto Hydro for the same term as the Lease. Separate authority will be sought for this temporary easement. The Premises are within jurisdiction of Toronto Water, as the Ashtonbee Reservoir is subsurface at the Property, are adjacent to an EMS station, and are directly south of the Gatineau Hydro Corridor Trail and Ashtonbee Reservoir Park, within Parks, Forestry and Recreation (PF&R) purview. Toronto Water, EMS and PF&R have issued comments for incorporation within the Lease and Licence. As-built's of any new Enbridge infrastructure will be provided to the relevant jurisdictions for record keeping purposes.									
Terms	Real Estate Services staff consider the terms and conditions of the Lease and Licence to be fair, reasonable, and reflective of market value. Major terms and conditions of the Lease and Licence are outlined on page 4 and 5, respectively.									
Property Details	Ward:	37 – Scarborough Centre								
	Assessment Roll No.:	1901-03-1-130-00100								
	Approximate Size:	Irregular	regular							
	Approximate Area:	7,543.3 square meters (87	1,195.4 square feet)							

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Α.	Director of Real Estate Services has approval authority for:	Chief Corporate Officer has approval authority for:						
1. Acquisitions:	Where total compensation does not exceed \$1 Million.	Where total compensation does not exceed \$3 Million.						
2. Expropriations:	Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.	Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.						
3. Issuance of RFPs/REOIs:	Delegated to a more senior position.	Issuance of RFPs/REOIs.						
4. Permanent Highway Closures:	Delegated to a more senior position.	Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.						
 Transfer of Operational Management to ABCDs: 	Delegated to a more senior position.	Transfer of Operational Management to ABCDs.						
6. Limiting Distance Agreements:	Where total compensation does not exceed \$1 Million.	Where total compensation does not exceed \$3 Million.						
 Disposals (including Leases of 21 years or more): 	Where total compensation does not exceed \$1 Million.	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.	Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.						
9. Leases/Licences (City as Landlord/Licensor):	(a) Where total compensation (including options/ renewals) does not exceed \$1 Million;	(a) Where total compensation (including options/ renewals) does not exceed \$3 Million;						
	(b) Where compensation is less than market value, for periods not exceeding three (3) months, including licences for environmental assessments and/or testing, etc.	(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/Tenant):	Where total compensation (including options/ renewals) does not exceed \$1 Million.	Where total compensation (including options/ renewals) does not exceed \$3 Million.						
11. Easements (City as Grantor):	(a) Where total compensation does not exceed \$1 Million.	Where total compensation does not exceed \$3 Million.						
	(b) When closing road, easements to pre-existing utilities for nominal consideration.	Delegated to a less senior position.						
12. Easements (City as Grantee):	Where total compensation does not exceed \$1 Million.	Where total compensation does not exceed \$3 Million.						
13. Revisions to Council Decisions in Real Estate Matters:	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).	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:	 (a) Approvals, Consents, Notices and Assignments under all Leases/Licences; (b) Releases/Discharges; (c) Surrenders/Abandonments; (d) Enforcements/Terminations; (e) Consents/Non-Disturbance Agreements/ Acknowledgements/Estoppels/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. 	 (a) Approvals, Consents, Notices and Assignments under all Leases/Licences; (b) Releases/Discharges; (c) Surrenders/Abandonments; (d) Enforcements/Terminations; (e) Consents/Non-Disturbance Agreements/ Acknowledgements/Estoppels/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. 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. X 3. Documents required to implement the delegated approval exercised by him. 								
Chief Corporate Officer also	o has approval authority for:							
Leases/licences/permits at Union Station during the Revitalization Period, if the rent/fee is at market value.								

Consultation with	Со	uncillor	(s)														
Councillor:	Mic	Michael Thompson					Councillor:										
Contact Name:	lho	or Wons					Contact Name:										
Contacted by:		Phone x E-Mail Memo Other					Contacted by:		Phone	E-mail		Memo		Other			
Comments:		nsented							Comments:								
Consultation with ABCDs																	
Division: Toronto Water/EMS/PF&R						Division:	Fi	Financial Planning									
Contact Name:	Mike Brannon/Ralph Hole/Brian Chase and Jennifer Hyland							and	Contact Name:	Fi	Filisha Mohammed						
Comments:		Consented						Comments:	C	Consented							
Legal Division Cont	act																
Contact Name:		Jack Pa	ayne	•													
DAF Tracking No.: 2016-129			Date		Signature												
Recommended by: Wayne Duong, Manager				July/11/2016	Sg	Sgd.∖ Wayne Duong											
Recommended by: Director of Real Estate Services X Approved by:			July/13/2016	S	Sgd.\ Joe Casali												
Approved by: Chief Corporate Officer Josie Scioli						x	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.
- (I) 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 and Conditions – Lease Agreement

Tenant:	Enbridge Gas Distribution Inc.
Term:	Twenty (20) years commencing July 14, 2016, and expiring on July 13, 2036
Renewal/Extension:	The Tenant has no renewal or extension rights.
Leased Premises:	Parts 1 and 2 of the draft Reference Plan attached as Schedule "B" hereto (the "Plan")
Area of Leased Premises:	2,614.3 square meters (28,140.1 square feet)
Basic Rent:	\$345,552.25 plus HST, to be paid on or before the Commencement Date.
Net Lease	The Rent payable under the Lease is net to the Landlord, unless expressly provided otherwise in the Lease
Early Termination:	Either party can terminate the Lease on notice given 48 months prior to the effective date of the termination. The Landlord shall not provide such notice until on or after the tenth anniversary of the Commencement Date. If the Tenant terminates, the Landlord shall retain all Basic Rent, but if the Landlord terminates, Basic Rent shall be apportioned to the termination date.
Overholding	If at the Landlord's discretion it permits the Tenant to remain in the Premises, it shall be a monthly tenancy at a rate of 120% of the amount payable at the end of the Term.
Development	The Tenant shall complete the construction of the Facility in accordance with the approved development plans. The Tenant shall achieve substantial completion on or before the 11 th month following the Commencement Date
Letter of Credit	Prior to commencing construction of the Facility, the Tenant shall provide a letter of credit in the amount of \$3,780,000 to secure the costs of removing the Facility and restoring the Premises should the Tenant default in its obligations to complete the Facility or to restore the lands subject to the Licence. The amount of the Letter of Credit is based on an estimate provided by the Tenant's approved contractor plus a 5% supervision fee.
Permitted Use	The construction, operation, maintenance and repair of the Facility.
Environmental	The Tenant shall comply with all environmental laws and shall not permit any hazardous substances on the Premises or other City owned lands, except the permitted substances set out in the Lease which must be used in compliance with environmental laws. The Tenant shall have an environmental report prepared near the end of the term, and shall remediate any hazardous substances to public park standards, unless the report conclusively demonstrates that they were existing prior to the Tenant's occupancy of the Premises or were caused by the Landlord on adjoining lands.
Indemnity:	The Tenant shall release and indemnify and save the City harmless from and against all losses, actions and claims arising out of any non-compliance with the Lease, injury to persons and property damage caused by the use or occupation of the Premises, unless due to the negligence or wrongful acts of the Landlord.
Insurance:	The Tenant shall take out and keep in force all risk insurance on a replacement cost basis, commercial general liability insurance in the amount of \$10,000,000, building by-law insurance; automobile liability insurance and , during construction, builder's risk insurance. The City will be added as an additional insured or loss payee, where appropriate.
Assignment and Subletting	Assignments, subletting, changes of control and similar transactions require Landlord's consent, except to an affiliate of the Tenant.
Damage and Destruction	In the event of damage and destruction, the Tenant shall repair or replace the Facility and the lease shall remain in effect. However, if the damage and destruction occurs during the last 5 years of the Term and meets certain thresholds as to seriousness, either party may terminate the Lease and any insurance proceeds shall be applied to restore and remediate the Premises, with the excess, if any, paid to the Tenant.
Restoration:	Upon expiry or termination the Tenant shall, at its sole expense, remove the Facility and other improvements, repair any damage or disturbance to the Premises and dispose of any soils and debris generated from the Tenant's use of the Premises, and restore the Premises to its prior condition as a public park and meet any municipal, provincial or other standards.
Pre and Post- Conditions to Commencement of Tenant's Works:	Before commencement and after construction on the Premises the Tenant the will conduct condition surveying of the existing access road and other areas subject to the Licence, the Eglinton Pumping Station including the motor and CCTV inspections of all manholes on the north and east of the Premises, and remedy any defects to the satisfaction of the Landlord.

Access The Tenant shall be given a licence through the Term for vehicular and pedestrian access over Parts 3, 4, 5 and 10 on the Plan. The Tenant shall construct at its cost the extension to the existing access road and shall remove and restore the extension at the expiry or termination of the Lease. Hydro Easement The Tenant shall be given a licence through the Term for the installation, use, maintenance and repair of an underground electrical transmission line over Parts 9, 10 and 11 on the Plan, and shall remove and restore same Lands at expiry of termination of the Lease. The Tenant acknowledges that Toronto Water has the right to install, use, repair and maintain its infrastructure in these lands, provided it uses commercially reasonable efforts to minimize disturbance of the electrical transmission line. The Tenant acknowledges that, subject to approvals, the Landlord intends to grant Toronto Hydro an easement for electrical power to the Facility and agrees to pay \$13,700.22 in satisfaction of the consideration payable under that easement. Access to Premises The Landlord agrees that, except in case of emergencies, it shall not access the Premises unaccompanied by and Emergencies Tenant personnel and shall comply with the Tenant's Visitor Safety and Third Party Requirements, attached to the Lease. In the event of emergencies, the Landlord shall not take any direct action with respect to the Facility unless so directed by emergency responders or authorities or if the Landlord believes it is required to prevent serious property damage or personal injury.

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Major Terms and Conditions – Licence Agreement

Licensee:	Enbridge Gas Distribution Inc.					
Term:	Eleven (11) months commencing July 14, 2016, and expiring on June 13, 2017					
Renewal/Extension:	No renewal or extension rights.					
Licensed Area	The areas shown as numbers 2 through 9 on the sketch attached as Schedule C (the "Sketch")					
Area of Licensed Area:	4,929 square meters (53,055.3 square feet) as shown on the Sketch.					
Licence Fee:	\$23,379.18 plus HST					
Early Termination	In the event the Lease is terminated for any reason prior to expiry of the Licence term, the Licence shall automatically terminate.					
Use:	The following uses are permitted for the areas shown on the Sketch:					
	• Area 2: temporary construction activities related to the installation below grade of tie-ins from the Facility to the natural gas pipeline located in the adjoining lands to the north;					
	 Areas 3, 5 and 8: temporary vehicular and pedestrian access to the licensed area and Premises; 					
	 Area 4: installation of conduit and other equipment, fixtures and infrastructure required for the hydro service to be provided by Toronto Hydro to the Facility; 					
	Area 6: Enbridge's mobile site office trailer and temporary parking;					
	 Area 7: mobile site office trailer and crew trailers of construction contractor, temporary storage of construction materials in sea-cans; 					
	• Area 9: temporary piling of soil and subsoil excavated in construction of the Facility.					
Insurance	The Licensee shall take out and keep in force commercial general liability insurance in the amount of not less than \$5,000,000, with the City added as an additional insured, and automobile liability insurance with a limit of not less than \$2,000,000.					
Indemnity	The Licensee shall indemnify and save the City harmless from and against all losses, actions and claims brought against the City or its property in respect of loss, damage or injury arising out of the Licensee's use of the Licensed Area, the condition of the Licensed Area or the effect of such condition on adjoining lands.					
Restoration	Upon expiry or termination of the Licence, the Licensee shall repair, at its sole expense, any damage or disturbance to the Licensed Area arising out of or relating to its use of the Licensed Area, remove any fixtures, equipment or structures, dispose of any soils and debris generated from the Licensee's use of the Licensed Area, remove and remediate any hazardous substances and restore the Licensed Area to its condition prior to the Licensee's occupancy.					
Permitted Substances:	The Licensee shall not use, store or deposit any hazardous substances on the Licensed Area, except for the Permitted Substances as defined in the Licence, which must be used in strict compliance with all applicable laws.					





Schedule "B" – Premises (Parts 1, and 2 outlined)



Schedule "C" - Licensed Area (Areas 2, 3, 4, 5, 6, 7, 8, and 9)