

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

TRACKING NO.: 2016 - 097

- 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, as amended by DAF 2013-307 and DAF 2014-087. City Council confirmatory By-Law No. 1234-2013.
- 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:	April 22, 2016	Phone No.:	(416) 397 - 7671

Purpose	To obtain authority to amend Delegated Approval Form No. 2015-098 executed on May 14, 2015, to include additional responsibilities for the City (as sub-tenant), for maintenance and repair obligations with respect to the Sub-lease agreement with Orchard Grove Housing Co-operative Inc. (as sub-landlord).
Property	Part of 3392 Kingston Road, Toronto, Ontario, a non-profit co-operative housing project.
Actions	<ol style="list-style-type: none"> 1) Authority be granted to amend the terms and conditions of the previously authorized Sub-lease agreement as set out in the "Terms" section of this form, and on such other terms as may be acceptable to the Chief Corporate Officer, and in a form satisfactory to the City Solicitor; 2) The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto;
Financial Impact	<p>Funding for the repair and maintenance obligations are included in the 2016 Operating Budget for Children's Services.</p> <p>The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>In accordance with the terms of a Sub-lease Proposal letter dated April 22, 2014 and accepted by the Co-op sub-landlord, Delegated Approval Form No.2014-116 authorized the City to enter into a Sub-lease agreement with the Orchard Grove Housing Co-operative Inc., for 5,550 square feet of space and approximately 5,530 square feet of outdoor space for a term of five (5) years, for operation of a much needed Child Care facility in the area. Children's Services would be responsible for maintenance costs, utilities and operating costs, but would not be responsible for any other costs such as repairs, replacements or structural repairs.</p> <p>The Co-op sub-landlord requested that the City accept further sub-tenant responsibilities. Delegated Approval Form No. 2015-098 authorized the City to accept responsibilities related to maintaining and repairing the:</p> <ul style="list-style-type: none"> • Heating, Air Conditioning and Ventilating Unit for the interior leased space; • The Elevator inside the lease premises; • Interior plumbing and electrical wiring, including mechanicals which serve only the Daycare (even if not in the leased space, and • The playground for the use of the Daycare Center <p>During continued negotiation of the formal Sub-lease agreement, the parties agreed to further revisions, as set out in the "Terms" section.</p>
Terms	<p>(See page 4).</p> <p>Real Estate Services staff have reviewed the further negotiated terms and are satisfied that the terms and conditions are fair, reasonable and at market value.</p>

Property Details	Ward:	36 – Scarborough Southwest
	Assessment Roll No.:	
	Approximate Size:	
	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:	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 checked="" 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 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:	X	Phone		E-Mail		Memo		Other		
Comments:	Consent					Comments:				
Consultation with ABCDs										
Division:	Children Services					Division:	Financial Planning/ Business I& I Finance			
Contact Name:	Shanley McNamee					Contact Name:	Filisha Mohammed			
Comments:	Consent					Comments:	Consent			
Legal Division Contact										
Contact Name:	Soo Kim Lee									
DAF Tracking No.: 2016 - 097			Date			Signature				
Recommended by: Manager: Wayne Duong			April 26, 2016			Sgd./ Wayne Duong				
<input checked="" type="checkbox"/>	Recommended by: Director of Real Estate Services Joe Casali			April 27, 2016			Sgd./ Brian Varner for Joe Casali			
<input type="checkbox"/>	Approved by:									
<input type="checkbox"/>	Approved by: Chief Corporate Officer Josie Scioli			April 28, 2016			Sgd./ 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 licenses (City as Licensor) is limited to periods (including options/renewals) of less than twenty-one (21) years, save and except for residential leasing matters and .
- (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.

**Revised Terms of Sub-lease Agreement with
Orchard Grove Housing Co-operative Inc.**

- 1) **Commencement Date:** May 1, 2016, or such other date acceptable to the Chief Corporate Officer.
- 2) **"As is" condition:** The Sub-landlord is requiring the City (Sub-tenant) to accept the child care space "as is", in its environmental and existing physical condition.
- 3) **Repair and Maintenance Responsibilities:** The City as Sub-tenant to pay for any doors and windows or other coverings of any walls, ceilings or floors, as well as outside face of walls, interior elements of the child care space, and exterior elements which service the child care space.
- 4) **Property taxes/Municipal Capital Facility:** The Sub-landlord to pay realty taxes each year in the amount of \$18,585.53, being the 2015 share of realty taxes for the child care space. The City to pay yearly any increase above the amount of \$18,585.52. Children's Services and Finance will request an exemption for Municipal Capital Facility. If approved by Council, the space would be exempt and the City would not have to pay any portion of realty taxes.
- 5) **Interruption of Utilities:** The Sub- Landlord shall not liable to the City for any injury, loss of income, business interruption, indirect or consequential damages or for any losses or damages whatsoever kind caused by or arising from any interruption on or failure in the supply of any utilities to the child care space.
- 6) **Parking:** The City has use of nine (9) underground reserved parking stalls. The Sub-Landlord has no obligation to police their use.
- 7) **Indemnity:** The City shall indemnify the Sub-landlord and save it harmless from any loss, costs, expenses, damages or liability in connection with loss of life, personal injury and/or loss of property arising out of any occurrence in or about the child care space.
- 8) **Damage:** If the child care space or the building is damaged:
 - (i) if the Sub-landlord is entitled to rebuild under the provisions of its Head Lease or its Mortgage, or rebuilds with new available financing or funds, then the Sub-landlord shall make necessary repairs to the shell of the leased premises to a typical base building level. The subtenant (City) shall perform all work and install all fixtures and chattels necessary to resume operations.
 - (ii) If the project is not capable or repair within 120 days from such damage, or if the Sub-landlord is not entitled to rebuild under its Head Lease or its Mortgage, then the Sublease will terminate.
- 9) **Assignment:** The City shall not assign, further sublease or transfer the sublease without the Sub-landlord's consent, not to be unreasonably withheld.
- 10) **Subject to Terms of Head Lease:** The Sub-lease is subject to the terms of the Head Lease made as of August 31, 1990 between Inner City Non-Profit Dwellings (Toronto) Inc. and the Sub-landlord. The Head Landlord has consented to the Sub-lease to the City.