

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

TRACKING NO.: 2016-050

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:	February 19, 2016	Phone No.:	416 397 7671

<b>Purpose</b>	To obtain authority for the City: (1) to enter into a fifth lease amending agreement (the "Agreement") with 3052690 Nova Scotia Limited (the "Landlord") for the continued use of the premises at 220 Attwell Drive as an Employment Centre by Toronto Employment and Social Services; and (2) to deliver to the Landlord and/or the Landlord's mortgagee, a tenant acknowledgement confirming the status of the Lease; (3) to enter into an attornment and non-disturbance agreement with the Landlord's mortgagee.
<b>Property</b>	The leased premises comprise an area of 27,437 square feet of office and client services space at the property known as 220 Attwell Drive, Toronto, Ontario, as shown on Schedule "B" attached hereto.
<b>Actions</b>	<ol style="list-style-type: none"> <li>Authority be granted to enter into a fifth lease extension and amending agreement (the "Agreement") with the Landlord, to extend the Term of the lease for a period expiring on May 31, 2017 and to amend rent and other lease terms as outlined in Schedule "A", and on such other terms as deemed appropriate by the Chief Corporate Officer and in a form acceptable to the City Solicitor;</li> <li>Authority be granted for the City: (a) to provide a tenant acknowledgement (an "Acknowledgement") to and for the reliance of the Landlord's mortgagee confirming the validity of the Lease, the amount of rent payable under the Lease, the good standing and the due performance of all Lease obligations by both the landlord and the tenant; and (b) to enter into an attornment and non-disturbance agreement (an "A&amp;NDA") with the Landlord's mortgagee; with each of the Acknowledgement and A&amp;NDA to include and be subject to such terms as Chief Corporate Officer deems appropriate and in a form acceptable to the City Solicitor;</li> <li>The Chief Corporate Officer or designate be authorized to administer and manage the Agreement, Acknowledgement and A&amp;NDA, 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</li> <li>The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.</li> </ol>
<b>Financial Impact</b>	<p>The total cost to the City including minimum rent and estimated additional rent for the term of this extension will be approximately \$901,031.08. If the option to extend (described in Schedule "A") is exercised the total cost of rent over 5 years will be approximately \$2,170,266.70. Funding for the balance of 2015 is available in the 2015 Operating Budget for Toronto Employment and Social Services ("TESS"). Funding requirements for 2016-2020 will be included in the the respective years' TESS operating budget submissions and accommodated within the approved operating targets.</p> <p>The Deputy City Manager &amp; Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
<b>Comments</b>	See Comments in Schedule "A".
<b>Terms</b>	See Terms in Schedule "A".

<b>Property Details</b>	<b>Ward:</b>	02 – Etobicoke North
	<b>Assessment Roll No.:</b>	
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	27,437 sq.ft (2548.98m <sup>2</sup> )
	<b>Other Information:</b>	

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 &amp; Parks &amp; 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><b>Delegated to a more senior position.</b></p> <p><b>Delegated to a more senior position.</b></p> <p><b>Delegated to a more senior position.</b></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><b>Delegated to a more senior position.</b></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 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 &amp; 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 checked="" 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><b>Delegated to a less senior position.</b></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 checked="" 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:
<p><input type="checkbox"/> 1. Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.</p> <p><input type="checkbox"/> 2. Expropriation Applications and Notices following Council approval of expropriation.</p> <p><input checked="" type="checkbox"/> 3. Documents required to implement the delegated approval exercised by him.</p>
Chief Corporate Officer also has approval authority for:
<p><input type="checkbox"/> Leases/licences/permits at Union Station during the Revitalization Period, if the rent/fee is at market value.</p>

Consultation with Councillor(s)										
Councillor:	Rob Ford					Councillor:				
Contact Name:	Jennifer Couto					Contact Name:				
Contacted by:	X	Phone		E-Mail		Memo		Other		
Comments:	Consent					Comments:				
Consultation with ABCDs										
Division:	Toronto Employment Social Services					Division:	Financial Planning			
Contact Name:	Darrin Vermeersch					Contact Name:	Filisha Mohammed			
Comments:	Consent					Comments:	Consent			
Legal Division Contact										
Contact Name:	Frank Walsh									
DAF Tracking No.: 2016 - 050			Date			Signature				
Recommended by: Manager, Wayne Duong			Feb. 26, 2016			Sgd.Wayne Duong				
<input checked="" type="checkbox"/>	Recommended by: Director of Real Estate Services Joe Casali			Feb. 26, 2016			Sgd.\Joe Casali			
<input type="checkbox"/>	Approved by:									
<input checked="" type="checkbox"/>	Approved by: Chief Corporate Officer Josie Scioli			Feb. 29, 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 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.

## Schedule "A"

**Comments (continued from page 1)**

The Metropolitan Council, by adoption of Clause no. 53 of Report No. 28 of the Management Committee on October 12, 1994 authorized entering into a lease agreement with the Landlord at 220 Attwell Drive for space, consisting of approximately 20,397 square feet of rentable space which included an option to renew for another 5 years.

Under the authority delegated in Clause No. 11(1), as amended, of the Corporate Services Committee, adopted by the Council of the City of Toronto on July 29, 30 and 31, 1998 (delegated authority tracking number DAF2000-044 dated April 18, 2000), the City entered into a lease renewed for a term commencing June 01, 2000 and expiring May 30, 2005.

Under the authority of Clause No. 9(15) of the Policy and Finance Committee adopted by the Council of the City of Toronto on October 26, 27, 29 and 31, 2005, the City entered into a lease renewal agreement for a term commencing May 31, 2005 and expiring on May 30, 2010.

Under the authority of item GM29.10 of the Government Management Committee adopted by the Council of the City of Toronto on March 31 and April 1, 2010, the City entered into a lease extension and amending agreement. The agreement expanded the leased premises by 7,040 square feet (to a total of 27,437 square feet) for a term commencing May 31, 2010 and ending on May 31, 2015.

Under the authority of item GM26.29 of the Government Management Committee, adopted by the Council of the City of Toronto on November 30, December 1, 2 and 7, 2009, the City entered into a lease amending agreement to clarify and restate changes to minimum rent and additional rent arising from the addition of 7,040 square feet to the leased premises as authorized under item 2010GM29.10.

TESS confirms that these premises are required and supports the City entering into the Agreement.

Real Estate Services staff consider the terms of the Agreement to be fair and reasonable and at market rental rates.

**Terms (continued from page 1)**

Basic terms of the proposed Agreement include the following:

Landlord: 3052690 Nova Scotia Limited

Tenant: City of Toronto

Premises: Freestanding single story building of approximately 27,437 square feet of rentable area and parking on a portion of the property known municipally as 220 Attwell Drive.

Term: Under the proposed Agreement the lease term will be extended for two (2) years commencing on June 1, 2015 and expiring on May 31, 2017.

Minimum Rent: During the extended lease term, minimum rent will be payable at \$10.50 per square foot per annum applicable to the rentable area, totaling \$288,088.56 per annum with monthly installments of \$24,007.38.

Additional Rent: The City shall continue to pay as additional rent, its proportionate share of common expenses currently estimated to be \$5.62 per square foot per annum applicable to the rentable area, totaling \$154,195.94 per annum with monthly installments of \$12,849.66.

Option to Extend: Provided the City has given notice to the Landlord, at least six (6) months prior to the expiration of the lease, the City shall have the right to extend the Term of the lease for three (3) years commencing June 1, 2017 and expiring on May 31, 2020 on the same terms and conditions other than rent. If the lease is extended minimum rent will be payable at the rate of \$9.50 per square foot per annum, totaling \$260,651.50 per annum, paid in monthly installments of \$21,720.96. Additional rent will be payable as in the lease and previous extensions, based on the City's proportionate share of common expenses.

City's Recycling Program: The Landlord shall implement a recycling and organic waste diversion program to assist the City in diverting 70% of the City's waste generated at in the leased premises.

Schedule "B"  
Location Map

