

**DELEGATED APPROVAL FORM
CITY MANAGER
DEPUTY CITY MANAGER & CHIEF FINANCIAL OFFICER**

TRACKING NO.: 2015-100

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 CC27.6 entitled "Metrolinx-City of Toronto-Toronto Transit Commission Master Agreement for Light Rail Transit Projects" adopted by City Council on October 30, 31 and November 1, 2012. City Council confirmatory By-law No. 1448-2012 enacted on November 1, 2012.

Prepared By:	Melanie Hale-Carter	Division:	Real Estate Services
Date Prepared:	July 14, 2015	Phone No.:	416-392-1227

Purpose:

(i) To authorize the sale of part of a City owned property municipally known as 819 Sheppard Avenue West to THS Property Inc. ("THS"), a wholly owned subsidiary of Gesher Abraham c.o.b. as The Toronto Heschel School, the current tenant of the Property (the "Tenant") under a lease with the City relating to the property ("Lease"). Negotiations with THS have resulted in an Offer to Purchase that is being recommended for acceptance.

(ii) To extend the term of a Lease between the City and the Tenant relating to the Property in order to accommodate the closing date of the above referenced transaction.

Property:

Part of Lot 15, Concession 2 WYS, Lots 43 and 44 on Plan 1938, Part of Lot 68 on Plan 3457, Part Alexis Boulevard on Plan 1938 as closed by By-law NY349292 and Part of Block on Plan 3553, and shown approximately as Parts 2,3,5,6,9,10, on the draft R-plan attached hereto as Appendix "B" (the "Property"); and Parts 1, 11 and 12 on the draft R-plan attached hereto as Appendix "B" (the "Access Lands").

- Actions:**
1. The City accept the Offer to Purchase from the THS, to purchase the Property, in the amount of \$5,450,000.00 substantially on the terms outlined below, and on such other terms as deemed appropriate by the Director or Real Estate Services, in a form satisfactory to the City Solicitor.
 2. The City enter into an Access Agreement for nominal consideration with THS relating to the Access Lands necessary in order to give effect to the transaction described in Action #1, on such terms as deemed appropriate by the Director of Real Estate Services, in a form satisfactory to the City Solicitor.
 3. The City enter into a Lease Extension Agreement, under the existing terms with the Tenant, extending the term of the Lease from August 1, 2015 to September 1, 2015, with the option to extend up to an additional month, if necessary to accommodate the closing, on such terms as deemed appropriate by the Director of Real Estate Services, in a form satisfactory to the City Solicitor.
 4. The City Solicitor be authorized to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable.
 5. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact:

The Lease, which expires on July 31, 2015, will be extended to September 1, 2015 in the amount of \$29,966.67 (net of HST) with the option to extend for up to an additional month (pro-rated) if necessary to accommodate the Offer to Purchase. Revenue in the amount of \$5,450,000.00 (net of HST), less closing costs and usual adjustments, will be contributed to the Land Acquisition Reserve Fund (XR1012) and the Alternative Dedication Reserve Fund (4200206) as directed by City Council, to replenish the funds drawn for the initial purchase and capital repairs for the property at 819 Sheppard Avenue West. The access agreement is for nominal consideration.

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

Comments:

The Property was declared surplus by DAF 2013-151, DAF 2014-193 and DAF 2015-085, with the intended manner of disposal to be by way of an invitation of an Offer to Purchase from THS. The Access Lands were declared surplus by DAF 2015-126. All steps necessary to comply with the City's Real Estate Disposal process as set out in Chapter 213 of the City of Toronto Municipal Code have been complied with.

Negotiations have taken place between the City and THS for the sale of the Property. The Offer to Purchase submitted by THS in the amount of \$5,450,000.00 (plus HST if applicable) is being recommended for acceptance. The terms for completing the transaction as set out herein are considered fair, reasonable and reflective of fair market value. The Lease is being extended to accommodate the September 1, 2015 closing date for the transaction.

Terms: See Appendix "A"

Property Details: See Appendix "A"

A.	Deputy City Manager & Chief Financial Officer has approval authority for:	City Manager 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>(a) Approvals, Consents, Notices and Assignments under all Leases/Licences;</p> <p>(b) Releases/Discharges;</p> <p>I Surrenders/Abandonments;</p> <p>(d) Enforcements/Terminations;</p> <p>(e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates;</p> <p>(f) Objections/Waivers/Cautions;</p> <p>(g) Notices of Lease and Sublease;</p> <p>(h) Consent to regulatory applications by City, as owner;</p> <p>(i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title;</p> <p>(j) Documentation relating to Land Titles applications;</p> <p>(k) Correcting/Quit Claim Transfer/Deeds.</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million;</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding twelve (12) months, including licences for environmental assessments and/or testing, etc.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 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 \$3 Million).</p> <p>Delegated to a less senior position.</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 Million.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input checked="" type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million;</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 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 \$5 Million).</p> <p>Delegated to a less senior position.</p>

B. City Manager and Deputy Manager & Chief Financial Officer each has signing authority on behalf of the City for:

Documents required to implement the delegated approval exercised by him.

Consultation with Councillor(s)									
Councillor:	James Pasternak					Councillor:			
Contact Name:	E.A. Jacob Katz					Contact Name:			
Contacted by:	X	Phone	X	E-Mail		Memo	X	Other	
Comments:	Date July 2 and 9, 2015 Proceed with sale					Comments:			
Consultation with ABCDs									
Division:	Real Estate -Leasing & Site Management					Division:	Financial Planning		
Contact Name:	Joanna Swietlik/Sherrri Angelic					Contact Name:	Filisha Mohammed		
Comments:	Comments incorporated. Date July 13, 2015					Comments:	Comments Incorporated. Approved July 10, 2015		
Legal Division Contact									
Contact Name:	Jason Aurini (2-8950) Date July 13, 2015								

DAF Tracking No.: 2015-100	Date	Signature
Recommended by: Manager, Tasse Karakolis	July 14, 2015	Tasse Karakolis
Recommended by: Director of Real Estate Services- Joe Casali	July 22, 2015	Joe Casali
Recommended by: Chief Corporate Officer- Josie Scioli	July 23, 2015	Josie Scioli
Approved by: Deputy City Manager & Chief Financial Officer Roberto Rossini	July 29, 2015	Roberto Rossini
Approved by: City Manager Peter Wallace	July 30, 2015	Peter Wallace

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.

Appendix "A"
DAF No. 2015-100

Property Address:	819 Sheppard Avenue West	
Property Details:	Ward:	10-York Centre
	Assessment Roll No.:	Part of 1908-05-1-790-00400
	Approximate Area:	2.85 acres (11511.6 m ²)
	Other Information:	3 story Brick Building
<p>Transaction Terms:</p> <p><u>Purchase Price:</u> \$5,450,000.00 (plus HST, if applicable)</p> <p><u>Deposit:</u> \$545,500.00</p> <p><u>Closing Date:</u> September 1, 2015</p> <p><u>Other:</u> "As is". Balance of the purchase price shall be due on closing by certified cheque or bank draft, subject to the usual adjustments.</p> <p><u>Easement Requirements:</u> None on property, however, an Access Agreement as per the Offer to Purchase.</p>		

