

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

TRACKING NO.: 2017-177

- 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 on 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), and further amended by GM16.16 entitled "Transit Shelter Property Acquisitions" adopted by City Council on December 13, 14 and 15, 2016 (Confirmatory By-Law No. 1290-2016, enacted on December 15, 2016).
- 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:	Jin Han	Division:	Real Estate Services
Date Prepared:	July 17, 2017	Phone No.:	(416) 338-1297

Purpose
To obtain authority for the City of Toronto (the "City" or "Sub-tenant") to enter into a sub-lease agreement (the "Sub-lease") with Corus Media Holdings Inc. (the "Sub-landlord") for a rentable area of approximately 46,746 square feet of office space at 121 Bloor Street East, Toronto, to be utilized as swing space for the Office Modernization Program Pilot Project (the "OMP") on the 6th, 11th and 18th floors of Metro Hall.

Property
121 Bloor Street East, Toronto (the "Property") as shown on the location map attached as Appendix "B". The premises to be leased to the Sub-tenant are the entire 9th, 12th and 13th floors (the "Premises") as shown in Appendix "C".

- Actions**
- the City enter into the Sub-lease with the Sub-landlord for the Premises for a term of seven (7) months (for two floors) and seven (7) months seventeen (17) days (for the remaining floor) on the terms and conditions outlined in Appendix "A" attached hereto, and on such other or amended terms as may be satisfactory to the chief Corporate Officer and in a form acceptable to the City Solicitor.
 - the Chief Corporate Officer, or her successor or designate, shall administer and manage the Sub-lease including the provision of any consents, certificates, approvals, waivers, notices and notices of termination, provided that the Chief Corporate Officer may, at any time, refer consideration of such matters to City Council for its determination and direction;
 - the appropriate City Officials are authorized and directed to take the necessary action to give effect thereto.

Financial Impact
The total cost to the City is approximately \$1,081,047.78 (plus applicable taxes) over the Term or \$1,100,074.23 (net of HST recoveries), commencing October 15, 2017 and expiring on May 14, 2018 (for two floors) and May 31, 2018 (for the remaining floor), based on Gross Rent of \$38.73 per square foot. The Gross Rent includes operating expenses, utilities and realty taxes and will not be subject to reconciliations at the end of the Term. Funding is available in the 2017 Council Approved Capital Budget for the Office Modernization Program (OMP) under account CCA239-02.

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

Comments
On July 7, 2015 City Council adopted the report titled "Office Modernization Program – Pilot Projects" approving funding to undertake three (3) OMP Pilot Projects, including Metro Hall 6th, 11th and 18th floors. The OMP program is a key initiative for optimizing the City of Toronto's real estate portfolio in order to reduce costs and update office standards. To implement the OMP on the three (3) floors above, the City requires swing space for the duration of the construction, which is projected to be approximately seven (7) months.

Real Estate and Facilities Management staff explored various swing space solutions, including temporary office arrangements. No City-owned property was available to accommodate 300 staff all in one building. As such, it was determined that leasing swing space at the Property would be the most effective solution. Real Estate Staff considers the terms and conditions of the Sub-lease to be fair and reasonable.

Terms
Please see Appendix "A" on page 4.

Property Details	Ward:	Ward 27 - Toronto Centre Rosedale
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	46,746 square feet
	Other Information:	

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 & Parks & Open Space Areas of Official Plan: N/A</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>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</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>Delegated to a more senior position.</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 & 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 checked="" 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 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>Delegated to a less senior position.</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 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:

- 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 or her.

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:					Kristyn Wong-Tam				
Contact Name:					Melissa Wong				
Contacted by:		Phone	X	E-Mail		Memo		Other	
Comments:					Proceed				
Consultation with ABCDs									
Division:					City-wide Strategic Initiatives				
Contact Name:					Jill Bada				
Comments:					Proceed				
Division:					Financial Planning				
Contact Name:					Filisha Jenkins				
Comments:					Proceed				
Legal Division Contact									
Contact Name:					Jack Payne				
DAF Tracking No.: 2017-177					Date		Signature		
Recommended by: Manager, Wayne Duong					July/31/2017		Sgd.\ Wayne Duong		
<input type="checkbox"/> Recommended by: Director of Real Estate Services Joe Casali					Aug/2/2017		Sgd.\ Joe Casali		
<input type="checkbox"/> Approved by: Chief Corporate Officer Josie Scioli					Aug/2/2017		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 being available from third party sources, except for "Strategic Property Acquisitions" as set out in EX44.22 adopted by Council August 25, 26, 27 and 28, 2014, which identifies alternative funding mechanisms subject to additional approval requirements.
- (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, except for property acquisitions of 50M² or less for transit shelter purposes.
- (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.

APPENDIX "A"**MAJOR TERMS AND CONDITIONS – 121 BLOOR STREET EAST**

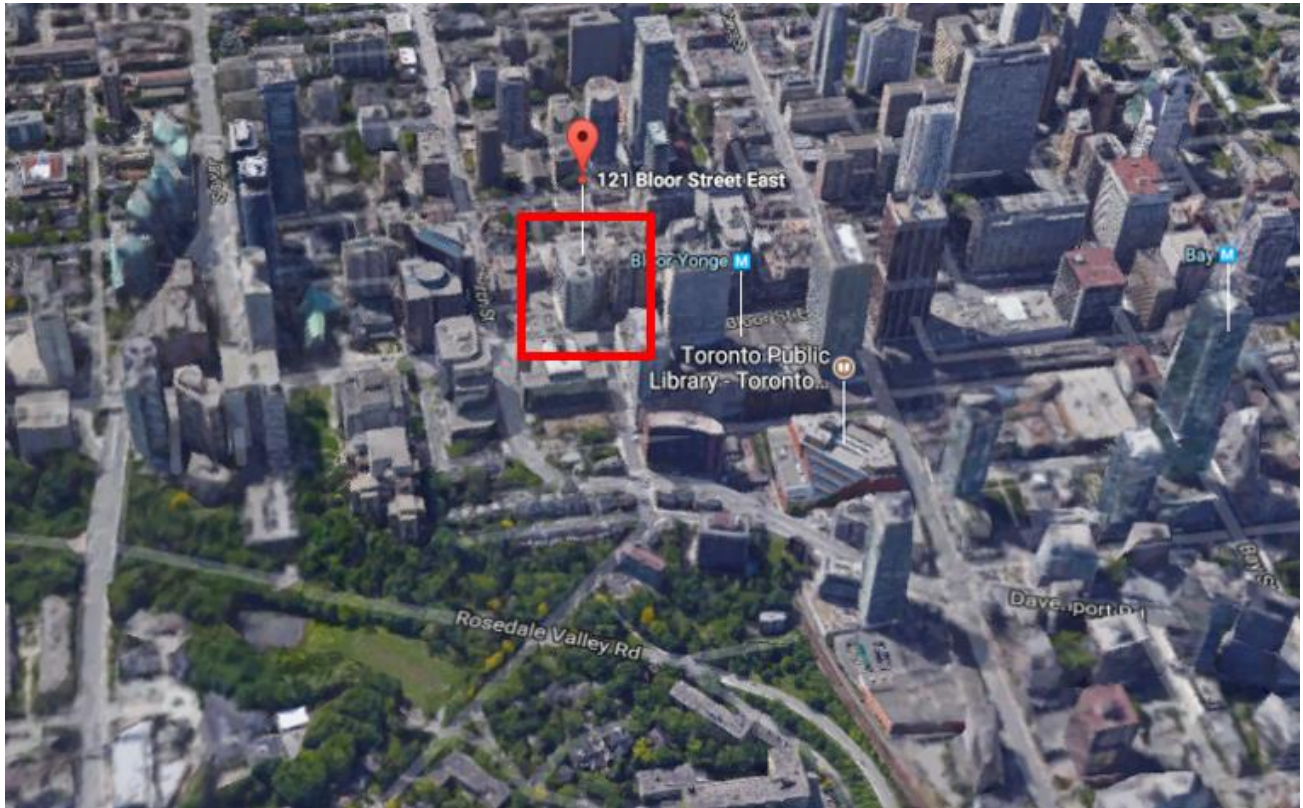
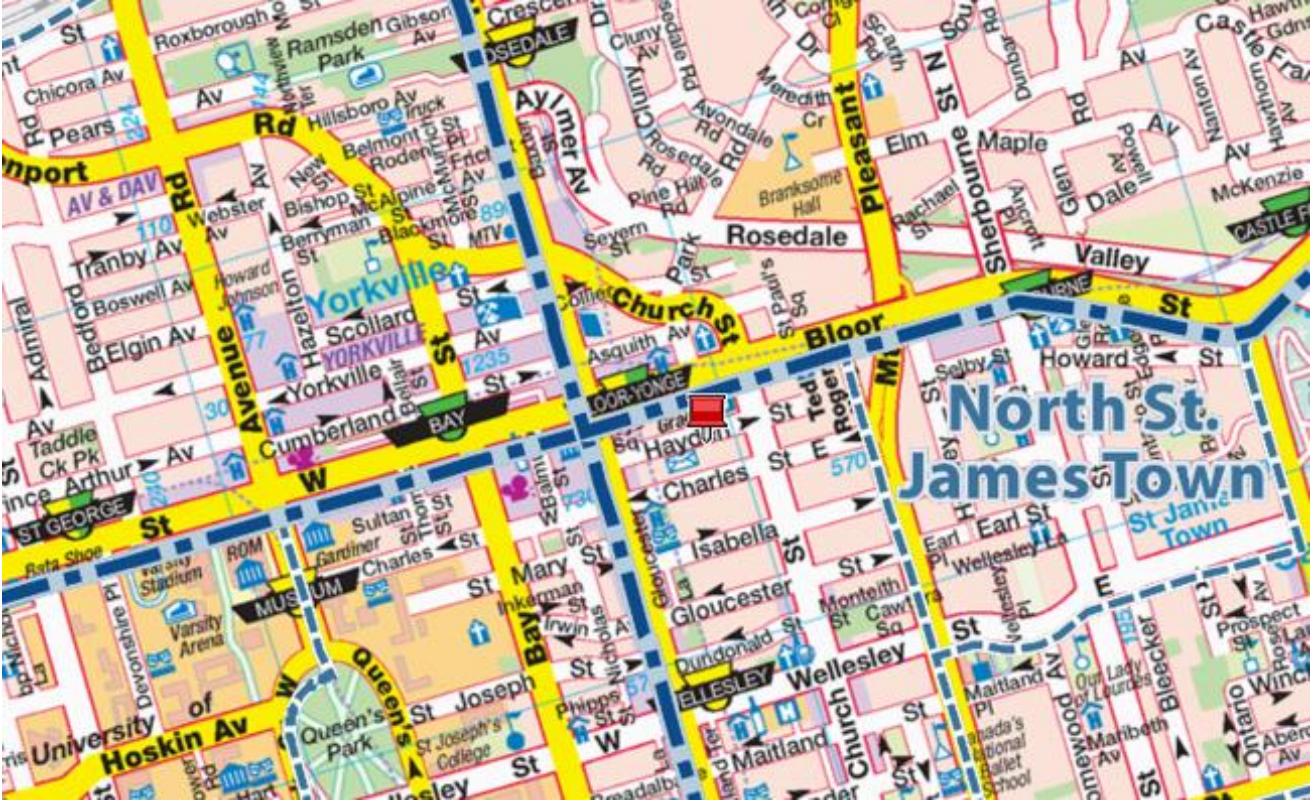
- Leased Premises:** Entire 9th, 12th, and 13th floors (the "**Premises**") within the lands and building (the "**Property**") known municipally as 121 Bloor Street E. Toronto, ON M4W 3M5.
- Use:** The Premises may be used for general office and ancillary uses.
- Term:** The Sub-tenant shall sub-lease the Premises from the Sub-landlord for a term (the "**Term**"), as follows:
- a) with respect to two (2) of the floors of the Premises, seven (7) months, commencing on October 15, 2017 (the "**Commencement Date**") and expiring on May 14, 2018; and
 - b) with respect to the remaining floor of the Premises, seven (7) months, seventeen (17) days, commencing on the Commencement Date and expiring on May 31, 2018.
- The Sub-tenant will advise the Sub-landlord by March 31, 2018 which floor is to have the Term expiring May 31, 2018. On and after May 15, 2018, the Rentable Area of the Premises and Gross Rent shall automatically be adjusted to reflect the remaining Rentable Area of the Premises, without any further agreement or documentation between the parties.
- If the Commencement Date is delayed, the Term shall in any case end on the dates above, provided the Sub-landlord makes reasonable commercial efforts to deliver the Premises by the commencement of the fixturing period (see below).
- Rent:** Sub-tenant shall pay to the Sub-landlord gross rent ("**Gross Rent**") in equal monthly installments of \$150,872.72, except during May 2018 when Gross Rent will be adjusted as set out above. Gross Rent is calculated at an annual rate of \$38.73 per square foot of the Premises. This Sub-lease is entirely gross to the Sub-tenant and will not be subject to reconciliations at the end of the Term.
- Security Deposit:** The Sub-tenant shall pay a security deposit equal to one month's Gross Rent to be held by the Sub-landlord until expiry of the Sub-lease.
- Fixturing Period:** The Sub-tenant shall have a forty-four (44) day rent-free fixturing period commencing September 1, 2017, provided the Sub-tenant shall pay for any utilities it uses. The Sub-landlord shall allow the Sub-tenant access to the Premises from August 14, 2017 and if so accessed, this period will be added to the fixturing period.
- Alterations:** The Sub-tenant, at its sole cost and expense, may make such alterations and improvements as the Sub-tenant deems necessary for the conduct of business in the Premises, subject to the Sub-landlord's consent.
- Furniture & Equipment:** The Sub-landlord shall lend to the Sub-tenant all furniture, including all work stations, cabling, desks, chairs, tables, and all kitchen appliances currently in the Premises (the "**Furniture**"), and the Furniture shall remain in the Premises for the Term and the fixturing period for the exclusive use of the Sub-tenant at no cost to the Sub-tenant.
- Restoration:** At the end of the Term or any extension thereof, the Sub-tenant shall:
- (a) not be required to remove any leasehold improvements, any of the Furniture or to restore the Premises, except to the extent that the Head Landlord or the Sub-landlord requires removal of any alterations or improvements made by the Sub-tenant and restoration or repair of the Premises required as a result of such removal; and
 - (b) leave the Premises vacant (save and except for the Furniture and leasehold improvements remaining as set out above) and in good order and repair, reasonable wear and tear, damage by casualty and the Sub-landlord's and Head Landlord's obligations excepted.
- Parking:** The Sub-tenant has the right to use parking spaces in the underground garage at the prevailing monthly rates (currently \$190.00, plus HST). On the basis of one (1) stall per 1,378 square feet leased, a total of thirty-four (34) stalls will be available
- Overholding:** If the Sub-tenant remains in occupation after the expiry of the Term, it will be a month-to-month sub-tenant at the then current Gross Rent, provided if the Sub-tenant overholds beyond the expiry of the Head Lease term, it will pay the proportionate increase in rent pursuant to the Head Lease.
- Conditions:** The Sub-tenant's obligation to enter into the Sub-lease is conditional for twenty (20) days from its acceptance of the Offer to Sub-Lease on: (i) the Sub-tenant being satisfied with the Head Lease and any ancillary agreements or documents; and (ii) the Sub-landlord obtaining the consent of the Head Landlord

to the Sub-lease and any other required consents.

The Sub-landlord's obligation to enter into the Sub-lease is conditional for twenty (20) days from the Sub-tenant's acceptance of the Offer to Sub-Lease on the Sub-landlord obtaining the consent of the Head Landlord to the Offer or Sub-Lease and any other required consents.

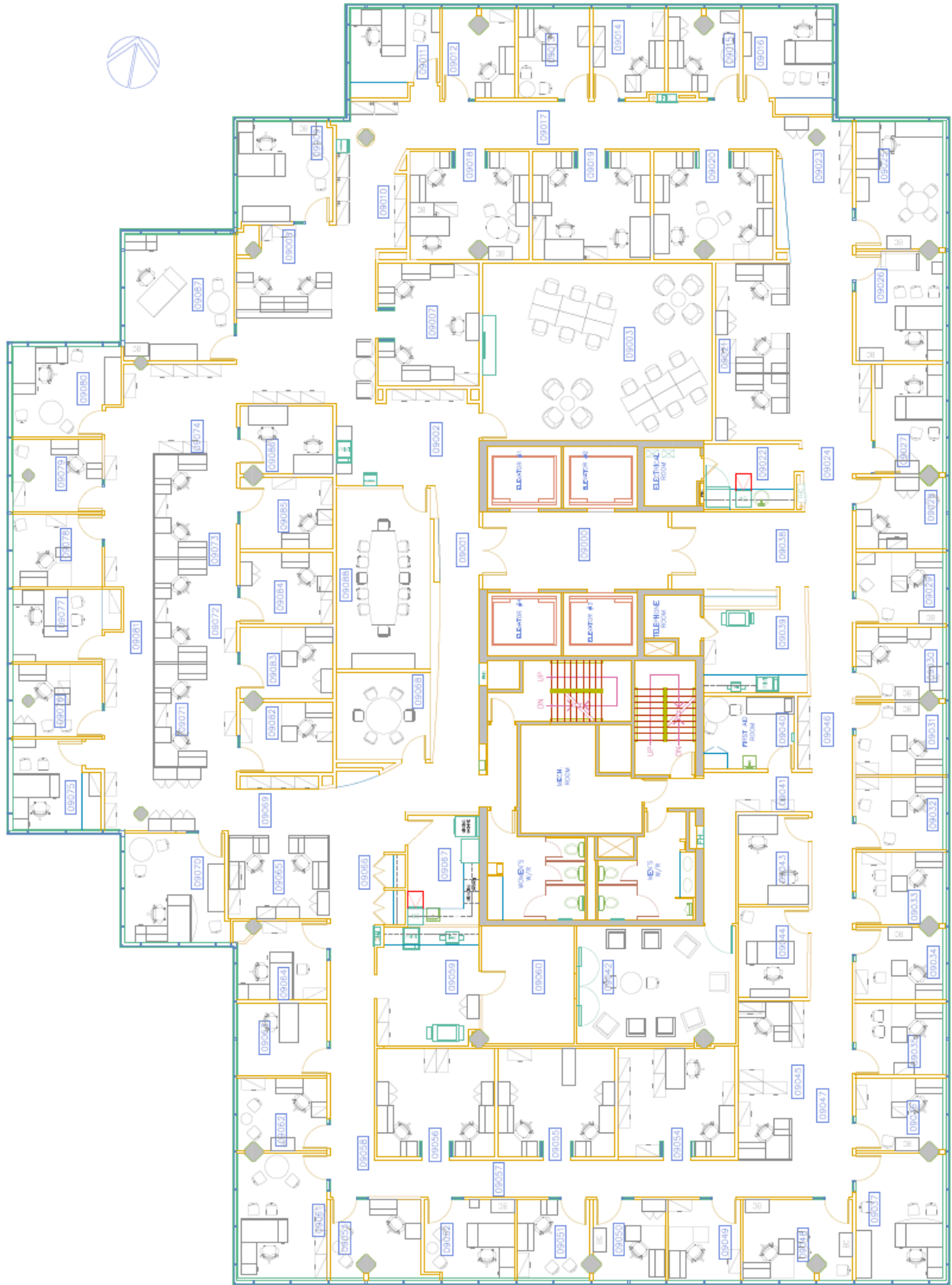
APPENDIX "B"

LOCATION MAP – 121 BLOOR STREET EAST

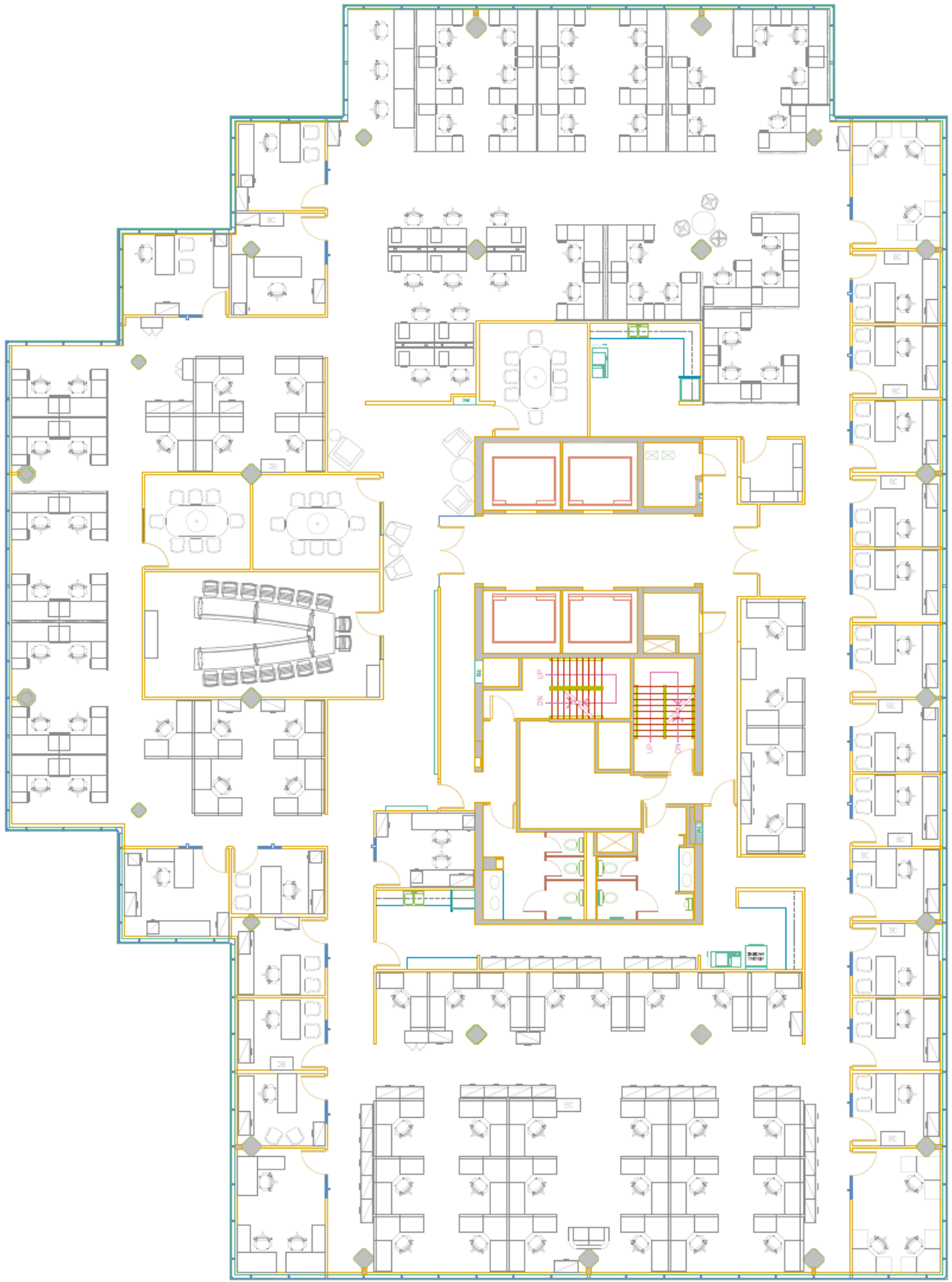


APPENDIX "C"

FLOOR LAYOUT – 9TH FLOOR



FLOOR LAYOUT - 12TH FLOOR



FLOOR LAYOUT - 13TH FLOOR

