

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

TRACKING NO.: 2017-136

<input checked="" type="checkbox"/> 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).			
<input type="checkbox"/> 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:	Derek Wei	Division:	Real Estate Services
Date Prepared:	May 15, 2017	Phone No.:	416-392-1259
Purpose	To obtain authority to amend a lease agreement (the "Lease") between the City of Toronto (the "Landlord"), and Yonge & Lawrence Inc. (the "Tenant"), for the premises located at 3080 Yonge Street (the "Lands"), shown in Appendix II (refer to page 5).		
Property	Part of 3080 Yonge Street, Toronto, which land is designated as Parts 1-12 on Plan 63R-823 as shown on Appendix II		
Actions	<ol style="list-style-type: none"> 1. Authority be granted to amend the Lease with the Tenant to permit for alterations to the existing building and the widening of the adjoining sidewalk, subject to the terms and conditions outlined in Appendix 1 (refer to page 4), and on such other terms as may be satisfactory to the Chief Corporate Officer, and in a form acceptable to the City Solicitor; 2. the Chief Corporate Officer or designate shall administer and manage the amended lease agreement, 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 3. the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto 		
Financial Impact	<p>There is no financial impact for this agreement.</p> <p>The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>On November 7, 1974 and pursuant to Clause 5 of Report No. 27 of The Metropolitan Executive Committee, The Municipality of Metropolitan Toronto and Park Manor Properties (Central) Limited (the original tenant) entered into a ground lease for certain lands located at 3080 Yonge Street. In addition to its interest in the leased lands, the tenant owns adjoining parcels. A six (6) storey commercial building was constructed by the tenant on the combined lands in the 1970s, in accordance with the terms of the ground lease.</p> <p>As authorized by Council on December 1, 2009, the Lease was renewed for 33 years from November 7, 2009 to November 6, 2042. The basic rent is \$172,500 per annum payable in advance in November of each year, plus realty taxes, both of which are paid to date. The tenant's leasehold interest has also been assigned with the City's consent, and the current tenant is Yonge & Lawrence Inc.</p> <p>The tenant wishes to undertake renovations and improvements to the original building that require an amendment to the terms of the Lease. The proposed renovations include enclosing a courtyard area, and making additional improvements to the façade in accordance with plans satisfactory to the City and TTC. The tenant has requested amendments to the Lease to allow for this work. The planning approvals for the proposed work also require that the tenant release its leasehold interest in certain areas adjoining Yonge St. and Lawrence Ave. to permit for sidewalk widenings. The leased area will be reduced accordingly.</p>		
Terms	<p>See Appendix I on page 4 for additional comments, and Major Terms and Conditions.</p> <p>Real Estate Services staff have confirmed that the Lease is in good standing and considers the proposed amendments to the Lease to be fair, reasonable and materially consistent with the original lease terms and Council authority.</p>		
Property Details	Ward:	Ward 16 Eglinton - Lawrence	
	Assessment Roll No.:		
	Approximate Size:		
	Approximate Area:	2,318 m ² ± (24,952 ft ² ±)	
	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/REOIs:</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 checked="" 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/REOIs.</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 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:	Christin Carmichael Greb					Councillor:			
Contact Name:	Victoria Colussi					Contact Name:			
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other		
Comments:	Comments incorporated					Comments:			
Consultation with ABCDs									
Division:	Financial Planning					Division:	TTC		
Contact Name:	Filisha Jenkins					Contact Name:	Jenny Matharu		
Comments:	Comments incorporated					Comments:	Comments incorporated		
Legal Division Contact: Ray Mickevius									
Contact Name:									
DAF Tracking No.: 2017-136					Date		Signature		
Recommended by:		Manager, Leasing and Site Management Wayne Duong			May/18/2017		Sgd.\ Wayne Duong		
<input type="checkbox"/>	Recommended by:	Director of Real Estate Services Joe Casali			May/24/2017		Sgd.\ Joe Casali		
<input checked="" type="checkbox"/>	Approved by:								
<input type="checkbox"/>	Approved by:	Chief Corporate Officer Josie Scioli					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 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 I

Major Terms and Conditions

Background:	<p>On November 7, 1974 and pursuant to Clause 5 of Report No. 27 of The Metropolitan Executive Committee, The Municipality of Metropolitan Toronto and Park Manor Properties (Central) Limited entered into a ground lease for certain lands located at 3080 Yonge Street as identified in Appendix II (see page 5). The lease has subsequently been assigned by the original tenant, and was renewed in 2009, with City consent in each instance. The current Tenant is Yonge & Lawrence Inc.</p>
Purpose:	<p>The Tenant is proposing renovations and improvements to the building located on the land that are not contemplated in the original lease, which restricted the form of building to that approved in 1974. The proposed renovations include improving the building to enclose a courtyard area and making additional improvements to the façade in accordance with plans satisfactory to the City and TTC. The Planning approvals for the proposed work also require that the tenant release its leasehold interest in certain strips of land that border Yonge St and Lawrence Ave to permit for sidewalk widenings. The lease terms are to be amended to allow for this work, and to exclude the expanded sidewalk areas.</p> <p>Furthermore, the Tenant has requested that a number of provisions, including insurance obligations, be updated to better reflect current requirements on terms satisfactory to the City.</p>
Basic Rent:	No Financial Impact
Approximate Area:	24,952 square feet.
Current Term:	Thirty (33) Years (commencing on or about November 7, 2009).
Use:	Land Lease
Insurance:	The Tenant is required to obtain and maintain Comprehensive Commercial General Liability insurance coverage in the amount of \$10,000,000.00 per occurrence.

