

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

TRACKING NO.: 2016-002

- 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:	Joe Corigliano	Division:	Real Estate Services
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Date Prepared:	June 14 th , 2016	Phone No.:	392-1167
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Purpose
To obtain authority to acquire vacant lands fronting on the north side of Fourth Line in the Township of Southwold, Ontario, for use as buffer land for the Green Lane Landfill, with a lease to be entered into with the existing tenant on closing, for farming purposes.

Property
Vacant lands fronting on the north side of Fourth Line in the Township of Southwold, County of Elgin, Ontario, legally described as Part of Lots 21 and 22, Concession 3 Southwold, designated as Part 1 on Plan 11R-1688, Township of Southwold, County of Elgin (the "Property"), the location of which is shown on Appendix A.

- Actions**
1. The Offer to Sell from Hummel Farms Inc. (the "Vendor") to sell the Property, in the amount of \$1,285,000.00, be accepted substantially on the terms outlined herein.
 2. A Lease Agreement be entered into with Parkona Properties Limited (the "Tenant") for the Property for a term of three (3) years and one (1) month, commencing on the closing date of the sale transaction, being October 28th, 2016 and ending on November 27th 2019, substantially on the terms outlined herein and such other or amended terms as may be acceptable to the Chief Corporate Officer and in a form acceptable to the City Solicitor.
 3. The City Solicitor, be authorized to complete these transactions on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, amending and waiving terms and conditions, on such terms as the City Solicitor considers reasonable.
 4. The appropriate City officials be authorized and directed to take necessary action to give effect thereto.

Financial Impact
The purchase price of the Property is \$1,285,000.00, plus a maximum of \$4,000.00 to cover the vendor's legal expenses.

Land transfer tax (\$17,750.00) and registration costs (approx. \$200.00) will also be payable by the City on closing. HST amounts to \$167,050.00, of which \$144,434.00 (11.24%) is refundable and \$22,616.00 (1.76%) is non-refundable as the Provincial portion of the HST. Funds to cover the above acquisition costs are available in the 2016 Council Approved Capital Budget for Solid Waste Management under capital account CSW007-12-06.

The Lease Agreement will generate rental income of \$15,810.00 per annum for the period of three (3) years and one (1) month, commencing on October 28th, 2016 and ending on November 27, 2019. Total leasing revenues to the City over the term of the lease will be \$48,747.50.

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

Comments
As part of the purchase of the Green Lane Landfill Site, approved by Council in September 2006, the City acquired the existing Certificate of Approval issued by the Ontario Ministry of Environment. The Certificate of Approval requires the City to implement a Property Value Protection Plan ('PVPP') to assure eligible property owners around the Landfill that no financial losses will result from any decrease in the value of their properties due to the operation and expansion of the Landfill. (continued on page 4)

Terms
See page 4 for Terms

Property Details	Ward:	
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	95 acres ±
	Other Information:	Irregular shape

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:</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 checked="" 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 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>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.

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:	(Out of City of Toronto Boundaries)					Councillor:			
Contact Name:						Contact Name:			
Contacted by:	Phone	E-Mail	Memo	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:						Comments:			
Consultation with ABCDs									
Division:	Solid Waste Management					Division:	Financial Planning		
Contact Name:	Derek Angove, Director of Processing & Resource Management					Contact Name:	Filisha Mohammed		
Comments:	Concurs					Comments:	Concurs		
Legal Division Contact									
Contact Name:	Jacqueline Vettorel								
DAF Tracking No.: 2016- 002					Date		Signature		
Recommended by:	Manager (A & E) – Tim Park				June 28, 2016		Signed by Tim Park		
<input checked="" type="checkbox"/> Recommended by:	Director of Real Estate Services Joe Casali				June 28, 2016		Signed by Joe Casali		
<input type="checkbox"/> Approved by:									
<input checked="" type="checkbox"/> Approved by:	Chief Corporate Officer Josie Scioli				June 28, 2016		Signed by 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.

DAF # 2016 - 002

Comments (continued):

The PVPP extends to properties within one kilometer of the Landfill if there is no residence on the property and within two kilometers of the Landfill if there is an occupied residence on the property. Under the PPVP, if an eligible property owner receives an arm's length offer to purchase his or her property for a price that is less than the market value of the property if it were located remote from the influence of the Landfill Site, as determined by an independent appraisal, the City must elect either to purchase the eligible property owner's property at the market value of the property, as determined by the independent appraisal, or to pay the eligible property owner the difference in value between what he or she is able to sell his or her property for and the market value of the property, as determined by the independent appraisal. It is in the best interests of the City to purchase, as they become available, many of the lands in the 2 km radius around the landfill area for use as a buffer between the Landfill and surrounding private properties. At its meeting held on May 26 and 27, 2008, Council re-allocated funds to Solid Waste Management's Green Lane Buffer Land Acquisition Account.

The Property is an eligible property under the PVPP. The Property is currently occupied by Parkona Properties Limited under an unwritten tenancy arrangement with the Vendor for the purpose of planting, tending and harvesting crops.

Terms of Offer to Sell the Property from Vendor (Hummel Farms Inc.):

Sale Price:	\$1,285,000.00, plus applicable HST
Additional Costs:	City to pay Vendor additional amount of up to \$4,000.00 as contribution towards Vendor's legal expenses
Deposit:	\$10,000.00 within 15 business days of acceptance by the City
Irrevocable Date:	45 days following execution of Offer by Vendor
Due Diligence Period:	90 days following acceptance by the City
Due Diligence Condition:	City to be satisfied, in its sole and absolute discretion, that the Property is suitable for the City's purposes
Closing Date:	October 28 th 2016
Lease Agreement:	City agrees to enter into a lease with the Tenant on closing, for a term of 3 years and 1 month

Staff considers the terms of the Offer to Sell to be fair, reasonable and reflective of market value.

Terms of Proposed Lease Agreement for the Property with Tenant (Parkona Properties Limited):

Basic Rent:	\$15,810.00 per annum, based on a rate of \$170 per acre of tillable farm land, payable in two (2) equal semi-annual instalments on December 1 st and August 1 st each year
Term:	Three (3) years and one (1) month commencing on October 28 th , 2016 and ending on November 27, 2019
Use:	Agricultural purposes, using generally accepted good farming practices
Realty Taxes:	City responsible for realty taxes unless Tenant fails to sign City's application for property tax reduction under Farm Property Class Tax Rate Program upon request, in which case Tenant responsible for difference in realty taxes resulting from ineligibility of Property for such property tax reduction
Additional Rent:	Tenant responsible for all maintenance and repairs of Property
Early Termination:	City can terminate the Lease Agreement at any time at the end of any growing season on not less than 90 days' notice
Insurance:	Tenant to maintain full replacement cost all-risks property insurance; farm general liability insurance in the amount of at least \$2,000,000.00 per occurrence; and limited pollution liability insurance in the amount of at least \$1,000,000.00 per occurrence

Staff considers the terms of the proposed Lease Agreement to be fair, reasonable and reflective of market value.

Appendix A - Location map

