

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

TRACKING NO.: 2016-211

Approved pursuant to the adopted by City Council of	on May 11 and 12, 2010. City Council	confirmatory By-law No. 532-2010, enac	ted on May 12, 2010.		
Prepared By:	Marie Casista / Greg Blysk	osz Division:	Toronto Parking Authority		
Date Prepared:	September 15, 2016	Phone No.:	(416) 393-7295 / (416) 393-7267	7	
Purpose	To obtain authority to amend <i>DAF 2016-126</i> , for the purpose of conveying temporary and permanent easements (the "Easements") related to the sale of municipal carpark lands located on part of City-owned 22 John Street and part of City-owned 2 Elsmere Avenue, former City of York (the "Property") by Toronto Parking Authority ("TPA") to 22 John Street Developments Inc. (the "Purchaser / Developer"). As detailed in <i>DAF 2016-126</i> , the sale transaction involves the sale of the Property and construction by the Developer of a mixed-use project, including: (i) Affordable Live/Work Units and a Community/Cultural Hub at 33 King St., the adjacent property to the northwest; (ii) improvements to Weston Farmer's Market/Outdoor Community space located on the north portion of 22 John St., to be retained in City ownership; and (iii) a municipal parking facility containing a minimum of 70 spaces to be built to TPA specifications or part of City-owned 14 John St. and part of City-owned 2 Elsmere Ave and 7 spaces on City-owned 6 Elsmere Avenue				
Property			Part of Lot 12-13, 15-17, Plan 38, Weston Part 3 on Sketch No. PS-2014-092 attach		
	Part of 2 Elsmere Avenue: Part of Parcel 6-6 Section Y10; Part of Lot 6, Concession 5, West of Yonge St, York, Parts 2 & 3 on 66R7633; Toronto, City of Toronto; shown as Part 4 on Sketch No. PS-2014-092 (the "Property").				
Actions	1. Authority be granted to amend DAF 2016-126, to authorize temporary and permanent easements related to the sale transaction between the Toronto Parking Authority and 22 John Street Developments Inc., as detailed in the <i>Terms</i> section, and on such other terms and conditions acceptable to the Chief Corporate Officer;				
	2. The appropriate Ci	ty Officials be authorized to exe	cute all necessary documents to give effe	ct thereto;	
		g amending and waiving term	ansaction(s) on behalf of the City and the s and conditions, on such terms and co		
	4. The appropriate Ci	ity Officials be authorized and d	rected to take the necessary action to give	e effect thereto.	
Financial Impact	The TPA will not incur any expenditure in 2016 pertaining to the Easements.				
	The sale transaction is scheduled to close in late-September 2016. The Toronto Parking Authority will not have any additional costs associated with the sale transaction.				
	The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.				
Comments / Terms	Background				
	Toronto Parking Authority identified a site it operated at 22 John Street in Weston for potential redevelopment and through an RFP found a developer it would work with for a development of the site.				
	The developer partnered with the owner of adjacent lands at 33 King Street to enlarge the development site. Metrolinx then identified a need for a portion of the development site for the purposes of a pedestrian walkway/bridge, which led to a requirement to acquire other lands in order to accommodate the developer's proposal. Discussions and negotiations then ensued which led to the concept of creating the Weston Community/Cultural Hub on the site.				
	As detailed in <i>DAF 2016-126</i> , by reports listed in the <i>Decision History</i> section, the TPA Board and Council have authorized the creation of the Weston Community/Cultural Hub. <i>DAF 2016-126</i> provided authority to complete the purchase and sale transaction involving the City-owned 22 John Street and part of 2 Elsmere Avenue set out in an agreement of purchase and sale entered into between the TPA and the Developer. The purchase and sale agreement has been amended, to provide for amended terms to address the Easements required for the project.				
	Continued on Page 4				
Property Details	Ward:	11 – York South-Weston	11 – York South-Weston		
	Assessment Roll No.:	Part of 1914-06-4-220-00200	(22 John St) Part of 1914-06-4-220-02000	(2 Elsmere Ave)	
	Approximate Size:	63.70 m x 74.70 m ± (209.0 ft	,	58.1 ft ±)	
	Approximate Area:	4,758.6 m <sup>2</sup> ± (51,221.14 ft <sup>2</sup> ±)	$345.6 \text{ m}^2 \pm (3,720.00 \text{ ft}^2 \pm)$		
	Other Information:	,			

A.		Deputy City Manager & Chief Financial Officer has approval authority for:	City Manager has approval authority for:		
1. Acquisit	tions:	Where total compensation does not exceed \$5 Million.	Where total compensation does not exceed \$10 Million.		
2. Expropr	riations:	Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.	Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 Million.		
3. Issuanc	e of RFPs/REOIs:	Delegated to a less senior position.	Delegated to a less senior position.		
4. Perman	nent Highway Closures:	Delegated to a less senior position.	Delegated to a less senior position.		
	er of Operational ement to ABCDs:	Delegated to a less senior position.	Delegated to a less senior position.		
6. Limiting	Distance Agreements:	Where total compensation does not exceed \$5 Million.	Where total compensation does not exceed \$10 Million.		
	als (including Leases of s or more):	Where total compensation does not exceed \$5 Million.	Where total compensation does not exceed \$10 Million.		
Space S	ge of land in Green System & Parks & Open Areas of Official N/A	Delegated to a less senior position.	Delegated to a less senior position.		
	/Licences (City as d/Licensor):	(a) Where total compensation (including options/ renewals) does not exceed \$5 Million;	Where total compensation (including options/ renewals) does not exceed \$10 Million;		
		(b) Where compensation is less than market value, for periods not exceeding twelve (12) months, including licences for environmental assessments and/or testing, etc.	Delegated to a less senior position.		
	/Licences (City as /Licensee):	Where total compensation (including options/ renewals) does not exceed \$5 Million.	Where total compensation (including options/ renewals) does not exceed \$10 Million.		
11. Easeme	ents (City as Grantor):	Where total compensation does not exceed \$5 Million.	Where total compensation does not exceed \$10 Million.		
12. Easeme	ents (City as Grantee):	Where total compensation does not exceed \$5 Million.	Where total compensation does not exceed \$10 Million.		
	ns to Council Decisions Estate Matters:	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).	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).		
14. Miscella	aneous:	Delegated to a less senior position.	Delegated to a less senior position.		
Not	provals, Consents, tices and Assignments der all Leases/Licences;				
<b>(b)</b> Rel	eases/Discharges;				
I Sur	renders/Abandonments;				
(d) Enfo	orcements/Terminations;				
Agr mei	nsents/Non-Disturbance reements/Acknowledge- nts/Estoppels/Certificates; ections/Waivers/Cautions;				
,,,,,	•				
Sub	tices of Lease and please; nsent to regulatory				
	olications by City, as				
Agr	nsent to assignment of reement of Purchase/ e; Direction re Title;				
	cumentation relating to nd Titles applications;				
	rrecting/Quit Claim nsfer/Deeds.				
B. City N	B. City Manager and Deputy Manager & Chief Financial Officer each has signing authority on behalf of the City for:				
X Documents required to implement the delegated approval exercised by him.					

Consultation with Councillor(s)						
Councillor:	Francis Nunziata	Councillor:				
Contact Name:		Contact Name:				
Contacted by:	χ Phone χ E-Mail Memo Other	Contacted by:	Phone E-mail Memo Other			
Comments:	No objections	Comments:				
Consultation with ABCDs						
Division:		Division:	Financial Planning			
Contact Name:		Contact Name:	Maria Djergovic			
Comments:		Comments:	Comments have been incorporated			
Legal Division Contact						
Contact Name:	Soo Kim Lee					

DAF Tracking No.: 2016-211		Date	Signature
Recommended by:	Manager, Tasse Karakolis	Sept. 15, 2016	Tasse Karakolis
Recommended by:	Director of Real Estate Services, Joe Casali	Sept. 15, 2016	Joe Casali
Recommended by:	Chief Corporate Officer, Josie Scioli	Sept. 19, 2016	Josie Scioli
Approved by:	Deputy City Manager & Chief Financial Officer Roberto Rossini	Sept. 27, 2016	Roberto Rossini
Approved by:	City Manager 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.
- (I) 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 leasing matters (A.9 and A.10) 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.

## Background (continued from Page 1)

City benefits arising from the project will include: (i) Affordable Live/work Units and a Community/Cultural Hub at 33 King Street, the adjacent property to the northwest; (ii) improvements to the Weston Farmer's Market/Outdoor Community space located on the north portion of 22 John Street, to be retained in City ownership; and (iii) a municipal parking facility containing a minimum of 70 spaces to be built to TPA specifications on part of City-owned 14 John Street and part of City-owned 2 Elsmere Avenue. The Developer will also construct a market rental apartment building on 22 John Street containing approximately 325 units.

#### **Decision History**

As detailed in *DAF 2016-126*, at its meeting of April 25, 2012, the TPA Board approved retaining Lennard Commercial Realty to list and obtain development proposals for the Property (*TPA Board Minute No.: 12-069*). Responses to the RFP resulted in the selection of the Purchaser / Developer, a privately held organization that has been developing real estate in the GTA for over 50 years. As part of its bid proposal, the Developer partnered with 2295477 Ontario Inc., the registered owner of adjacent lands northwest of the Property, comprising an existing high rise apartment building known municipally as 33 King Street. On August 9, 2013, an agreement of purchase and sale ("PSA") was executed between the TPA and the Purchaser.

At its meeting of December 16, 17 and 18, 2013, Council adopted Item GM26.17 in which proceeds from the sale of the Property be held in the Community Development Reserve Fund (XR3100) to support the redevelopment of the surface parking lot at the property which includes a residential component, replacement municipal parking facility, a Farmer's Market and a Cultural Hub. Detailed in a report from the Chief Corporate Officer and President, Toronto Parking Authority - Sale of Part of 22 John Street, Grant of Permanent Easement for Part of 53 Strachan Avenue, and Real Estate Acquisition and Expropriation of 14 John Street dated October 31, 2013. (http://www.toronto.ca/legdocs/mmis/2013/gm/bgrd/backgroundfile-63544.pdf)

At its meeting of May 28, 2014, the TPA Board approved the terms and conditions of the PSA between the TPA and the Purchaser (*TPA Board Minute No.: 14-077*). The agreement contains conditions in favour of the TPA and the Purchaser which the parties are working to satisfy, one of which is obtaining City approval of the transaction. A summary of the terms and conditions of the PSA are detailed herein under *Terms*.

In accordance with the City's Real Estate Disposal by-law, No. 814-2007, the Property was declared surplus on December 2, 2014 (*DAF 2014-280*) with the intended manner of sale being a sale to the Purchaser. 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.

At its meeting of March 31, April 1, and 2, 2015, Council adopted Item EX4.6, approving the preliminary funding model and authorized the negotiation of the agreements and security required to proceed with the Live/Work Units, the Community/Cultural Hub and Open Space Area that will form part of the project. Detailed in a report from the Director, Affordable Housing Office and the General Manager, Economic Development and Culture - The Weston Community/Cultural Hub: Next Steps dated March 11, 2015. (http://www.toronto.ca/legdocs/mmis/2015/ex/bgrd/backgroundfile-77951.pdf)

At its meeting of May 28, 2015, the TPA Board approved an amendment to the terms and conditions of the PSA between the TPA and the Purchaser (*TPA Board Minute No.: 14-077*).

At its meeting of December 9 and 10, 2015, Council adopted both Items EX10.6 and EY10.1 together. Item EX10.6 approved the final funding model and related agreements including the security required to proceed with the Live/Work Units, Community/Cultural Hub and Open Space Area that will form part of the project. Detailed in a report from the Deputy City Manager Cluster A, the Deputy City Manager Cluster B, and the Deputy City Manager & Chief Financial Officer - The Weston Community/Cultural Hub: Final Funding Report dated November 17, 2015 (http://www.toronto.ca/legdocs/mmis/2015/ex/bgrd/backgroundfile-85979.pdf). Item EY10.1 approved planning matters, including timing for delivery of Letter of Credit security by the Developer to the City. Detailed in a supplementary report from the Director, Community Planning, Etobicoke York District – 22 John Street, 33 King Street and 2 Elsmere Avenue (The Weston Community Cultural Hub) – Official Plan Amendment and Zoning By-law Amendment Application – Supplementary Report dated November 6, 2015. (http://www.toronto.ca/legdocs/mmis/2015/ey/bgrd/backgroundfile-85606.pdf)

As detailed in *DAF 2016-126* dated June 3, 2016, authority was sought and obtained to complete the purchase and sale transaction involving the City-owned 22 John Street and part of 2 Elsmere Avenue set out in an agreement of purchase and sale entered into between the TPA and the Developer, which provided for amended terms to address matters arising from the various reports to Council.

# Site Location and Particulars

The Carpark is an irregular shaped parcel of land containing approximately 5,100 square meters (55,000 square feet) that accommodates a total of 190 parking spaces. This Carpark located north of Lawrence Avenue on John Street is comprised of two separate adjoining land parcels, 22 John Street and 2 Elsmere Avenue. The development of the Property originally contemplated locating all the required components on the Property or partly on the adjacent property located to the northwest at 33 King Street. The construction of a Pedestrian Walkway/Bridge by Metrolinx at the northern portion of the Property reduced the useable land for the project. In order to include all project components in the development, it was necessary to expropriate the land adjacent to the southern portion of the Property, municipally known as 14 John Street. The City became the owner of 14 John Street by an Expropriation Plan registered on July 23, 2015.

### Terms:

Recommendation 12 of EX10.6, adopted by City Council on December 9 and 10, 2015, authorized the Chief Corporate Officer to administer and manage the Weston Farmer's Market/Outdoor Community Space comprising approximately 1,212.7 sq. m. (13,053.39 square feet), being the north part of 22 John Street to be retained in City ownership, and designated as Part 6 on Plan 66R-28757 (the "Farmer's Market Space").

#### Terms (continued from Page 4)

The purchase and sale agreement ("PSA") between Toronto Parking Authority and the Developer initially provided that the Developer may acquire 22 John Street, including the Farmer's Market Space. Since the City is retaining ownership of the Farmer's Market Space, the Developer agreed to complete the PSA without a reduction in the purchase price, but requires use of the Farmer's Market Space for a construction staging area until January 1, 2020 without payment of any fee, to facilitate construction of its development, the Live/Work Units, the Community/Cultural Hub, and enhancements to the Farmer's Market Space.

The Developer, the owner of 33 King Street and the City have finalized a Section 37 Agreement with respect to the proposed development, and the Developer's obligation to complete construction of the enhancements to the Farmer's Market Space, and construction of the Live/Work Units and the Community/Cultural Hub on part of adjacent 33 King Street (the "33 King Street"). The owner of 33 King Street will convey a permanent easement to the City, for the Artist's Courtyard adjacent to the Live/Work Units, designated as Part 20 on Plan 66R-28757, for use by the public

The temporary and permanent easements required for this project, between TPA, City of Toronto and 22 John Street Developments Inc. (the "Transferee"), the intended transferee/owner of those lands referred to as Parts 2, 8, 10, 11, 12, 13, 14, 19, 20, 22 and 24 (the "Dominant Lands"), are summarized below.

### Temporary Easements

- Farmer's Market Space: Non-Exclusive Surface Easement expiring on or before January 1, 2020 over the lands designated as Part 6 on Plan 66R-28757, in favour of the Transferee, in its capacity as owner of the Dominant Lands, together with its contractors, employees, agents for the purpose of storing construction material and vehicles and general staging on the Farmer's Market Space, for the construction phase of the project; and for the purpose of ingress and egress on behalf of the Transferee, its employees, contractors and trades.
- 2. 14 John Street and part of 6 Elsmere: Non-Exclusive Easement expiring the earlier of: (i) January 1, 2020; or (ii) acceptance of TPA Parking Facility by Toronto Parking Authority, over and under the lands municipally known as 14 John Street, part of 2 Elsmere Avenue and 6 Elsmere Avenue (the "TPA Parking Facility") in favour of the Transferee, in its capacity as owner of the Dominant Lands, together with its contractors, employees, agents, for the purpose of pedestrian and vehicular ingress and egress in order to make improvements as may be required to permit the Transferee to construct the TPA Parking Facility.

#### Permanent Easements.

- 3. Part of 14 John Street: Permanent Easement over part of 14 John Street described as Parts 16 and 17 on Plan 66R-28757 (the "General Access Lands"). The easement shall be non-exclusive, in favour of the Transferee, in its capacity as owner of the Dominant Lands, together with its tenants, designates, successors and assigns, over, along, on, upon and under the General Access Lands for vehicular and pedestrian ingress and egress for purposes of accessing the building to be constructed on the Dominant Lands.
- 4. <u>22 John Street</u>: Permanent non-exclusive easement from the Transferee in favor of the City over all or part of the 22 John Street lands (the "**22 John Storm Outfall Lands**"), to permit storm water on the Farmer's Market Space to pass over the 22 John Storm Outfall Lands, in accordance with the approved grading plan.
- 5. 14 John Street and Part of 6 Elsmere: Permanent non-exclusive easement on 14 John Street and Part of 6 Elsmere (the "14 John Storm Outfall Lands"), in favor of the Transferee, as owner of the Dominant Lands (22 John Street) and the part owner of adjoining 33 King Street, together with their respective successors and assigns, over and upon the 14 John Storm Outfall Lands to permit storm water on the Dominant Lands and 33 King Street to pass over the 14 John Storm Outfall Lands, in accordance with the approved grading plan.

# APPENDIX "A" Registered Plan 66R-28757







