

<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 (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.			
<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:	Simona Rasanu	Division:	Real Estate Services
Date	November 12, 2015	Phone No.:	416-397-7682

Purpose	<p>To authorize the proposed assignment by OMERS Realty Management Corporation as Lessee in two ground leases and by OMERS Realty Corporation as Sub-lessee of City-owned lands located within a site municipally known as 2 Bloor Street West and Cumberland Terrace, and related documentation in connection with the proposed assignment.</p> <p>OMERS Realty Management Corporation (ORMC) (the "Lessee") and OMERS Realty Corporation (ORC) (the "Sub-Lessee") as vendors, entered into an agreement with KingSett Real Estate Growth GP No.5 Inc., in its capacity as general partner for and on behalf of KingSett Real Estate Growth LP No. 5 ("KingSett"), as purchaser, which agreement of purchase and sale has been assigned by KingSett to 2 Bloor Acquisition GP Inc. and Cumberland Terrace Acquisition GP Inc. collectively, as sole general partners for and on behalf of Bloor CT Acquisition LP (the "Transaction").</p>
Property	<p>City-owned lands located within a site municipally known as 2 Bloor Street West and Cumberland Terrace, being part of PIN 21197-0206(LT); all of PIN 21197-0253(LT), PIN 21197-0257(LT), PIN 21197-0249(LT), PIN 21197-0245(LT), PIN 21197-0251(LT), PIN 21197-0255(LT) and PIN 21197-0247(LT) (the "City lands"), shown on Appendix "A".</p>
Actions	<ol style="list-style-type: none"> 1. Authority be granted for the City to consent to the following series of assignments and a transfer in connection with the Transaction (the "Consent Agreement"): <ol style="list-style-type: none"> i) Lessee's assignment of its registered right, title and interest in the Leases to Bloor CT Acquisition Inc., and assignment of its beneficial right, title and interest in the Leases to Bloor CT LP. ii) Lessee's assignment by way of an unregistered assignment, of its right, title and interest, as sub-landlord, in the sublease registered on April 3, 2009 (the "Sublease") to Bloor CT LP. iii) Sub-Lessee's assignment, by way of unregistered assignment, of its right, title and interest in the Sublease, to Bloor CT LP. iv) Sub-Lessee's transfer, by way of unregistered transfer agreement, of its beneficial interest in the buildings, equipment and other assets, to Bloor CT LP. 2. Authority be granted for the City to release the Lessee and the Sub-Lessee from all of their respective covenants and obligations pursuant to and in connection with the Leases and the Sublease (the "Release Agreement"), conditional on KingSett providing a guarantee and indemnity in favour of the City of the obligations to the City under the Leases and the Sublease (the "Guarantee and Indemnity"). 3. Authority be granted to the City to consent to the release of the Guarantee and Indemnity in the event of a sale or transfer of the Leases to an arms-length party, if and only if the City, in its sole discretion, acting reasonably, determines that the covenant of the assignee of the Leases (together with any guarantor that it provides), at the time of sale is equal to or better than that of KingSett at the time the Consent Agreement is executed. 4. 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 resulting from the approval of this DAF. The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees.</p>
Comments	<p>Please see page 4.</p>

Property Details	Ward:	27 – Toronto Centre-Rosedale
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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 checked="" 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 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.

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) – November 12, 2015															
Councillor:	Kristyn Wong-Tam					Councillor:									
Contact Name:	Tristan Downe-Dewdney					Contact Name:									
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other	Contacted by:	Phone		E-mail		Memo		Other
Comments:	No objections					Comments:									

Consultation with ABCDs										
Division:	Financial Planning					Division:				
Contact Name:	Filisha Mohammed					Contact Name:				
Comments:	Concurs with Financial Impact					Comments:				

Legal Division Contact									
Contact Name:	Barbara Cappell								

DAF Tracking No.: 2015-309	Date	Signature
Recommended by: Manager	Nov/12/2015	Sgd.\ Wayne Duong
<input type="checkbox"/> Recommended by: Director of Real Estate Services <input checked="" type="checkbox"/> Approved by: Joe Casali	Nov/12/2015	Sgd.\ Joe Casali
<input type="checkbox"/> Approved by: Chief Corporate Officer 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.

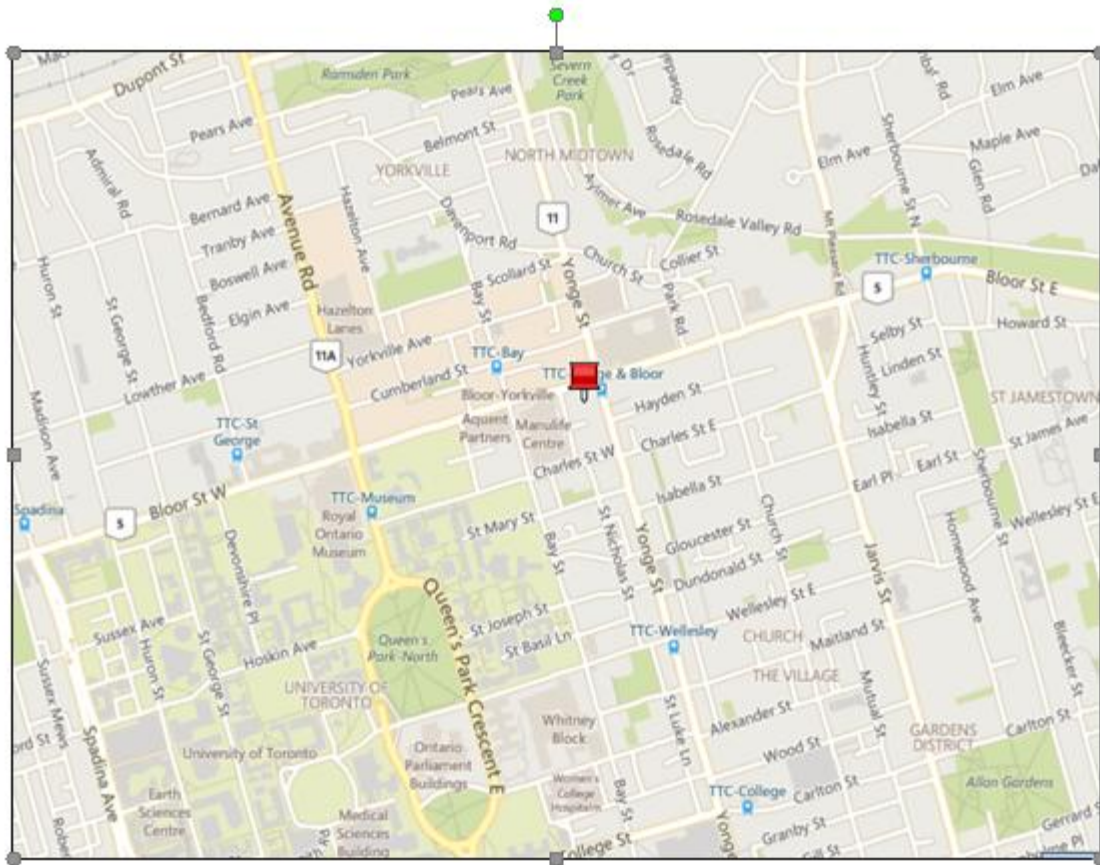
Comments:

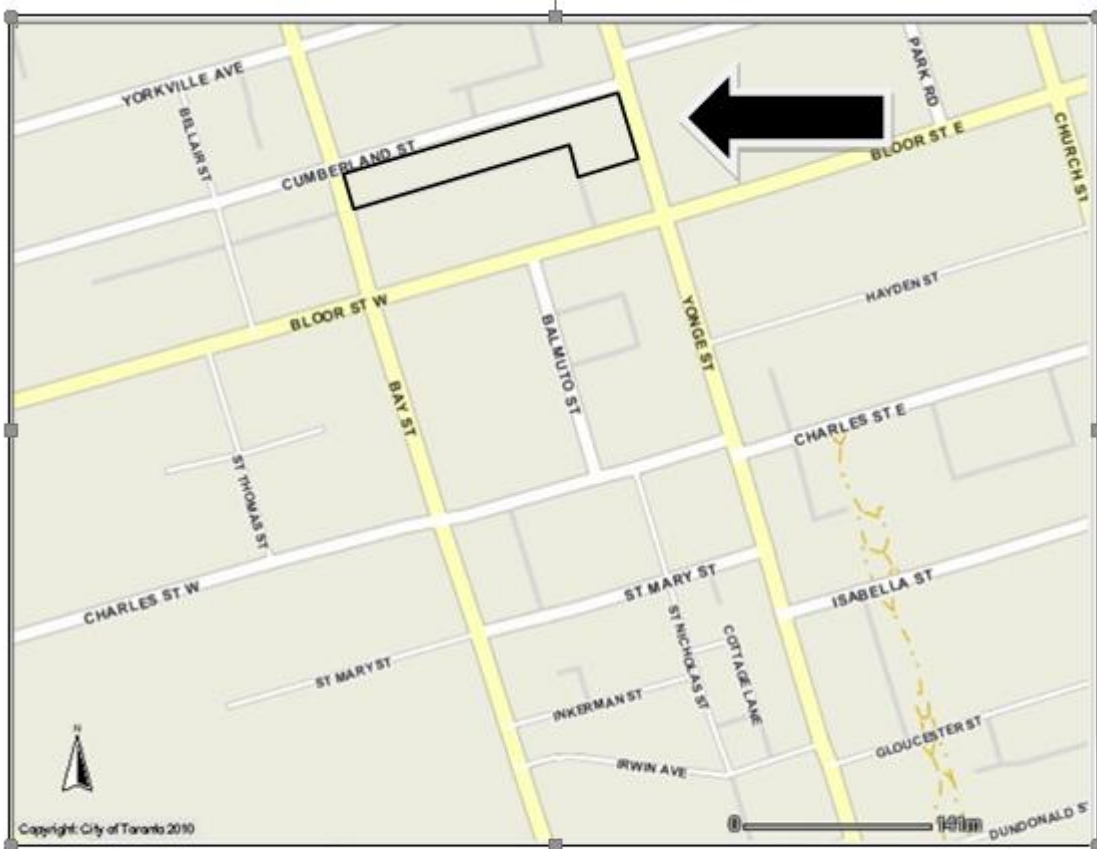
The City-owned portion of the site known as 2 Bloor Street West and Cumberland Terrace was acquired by the former Metro Toronto as three separate parcels between 1961 and 1963 for the construction of the Bloor-Danforth Subway. The former Metro and the City entered into the Leases in 1971 and, by a series of assignments, including a consent granted by the City in 2004 via DAF 2004-084, the Lessee became OMERS Realty Management Corporation (ORMC) and the Sub-Lessee became OMERS Realty Corporation (ORC).

The Transaction involves the sale of the CIBC building at 2 Bloor Street West, currently owned by ORMC, as well as the sale of the air rights which the City sold to ORMC in 2009, in addition to assigning the leases and sublease referred to above. Upon completion of the Transaction, beneficial ownership of the freehold and leasehold interests will be held by Bloor CT Acquisition LP with registered title being held in the name of a nominee corporation, Bloor CT Acquisition Inc.

Pursuant to the Leases, the Lessee requires the City's consent to facilitate the Transaction. The Lessee and Sub-Lessee have also requested that the City release them from all of their respective covenants and obligations pursuant to and in connection with the Leases and the Sublease. After careful consideration of KingSett's financial standing and covenant, the City has agreed to enter into the Release Agreement, subject to the following two conditions: i) KingSett agrees to provide a Guarantee and Indemnity in favour of the City of the Lessee's obligations under the Leases and the Sublease in a form satisfactory to the Director of Real Estate Services and the City Solicitor; and ii) in the event that KingSett will sell or transfer the Leases to an arms-length party, the City will only release KingSett from the Guarantee and Indemnity so long as the City determines that the new assignee of the Leases has a covenant that is equal or better than KingSett's existing covenant at the time the Consent Agreement is executed. Real Estate Services confirms that the existing Lessee and Sub-Lessee are not in default under the Leases and the rent is paid to date.

Appendix "A" – Location Map and Site Map





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Not to Scale