

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

TRACKING NO.: 2016-087
WITH CONFIDENTIAL ATTACHMENT

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, as amended by DAF 2013-307 and DAF 2014-087. City Council confirmatory By-Law No. 1234-2013.

Prepared By:	Leila Valenzuela	Division:	Real Estate Services
Date Prepared:	April 21, 2016	Phone No.:	(416) 392-7174

Purpose	To obtain authority to enter into an agreement with 695072 Ontario Limited (the "Owner") for the acquisition of the property municipally known as 391 Alliance Avenue for the continued occupancy of the TTC Streetcar Overhead Wiring Section.
Property	391 Alliance Avenue, described as Part of Block J on Plan 5098, Township of York, designated as Parts 1 to 4 on Reference Plan 64R-10227, subject to CY480916 and TB290579, Toronto, and shown on Appendix "B" (the "Property").
Actions	<ol style="list-style-type: none"> The Offer to Sell from the Owner to sell the Property to the City be accepted, substantially on the terms outlined in Appendix "A" and Confidential Attachment 1 and any other terms and conditions as determined by the Chief Corporate Officer and in a form acceptable to the City Solicitor. The City Solicitor complete the acquisition on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as she considers reasonable. The confidential information contained in Confidential Attachment 1 be made public following the purchase of the Property. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>The cost of this acquisition is set out in Confidential Attachment 1 and will be funded from the Council Approved 2016-2025 Capital Budget and Plan for the TTC.</p> <p>The Deputy City Manager and Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>The Property is comprised of a single-storey 34,952 square foot industrial building situated on 2.16 acres of land. The Toronto Transit Commission (TTC) has been leasing the Property for the storage of materials and service vehicles for the use of the Streetcar Department's Overhead Wiring Section since 2011. The original lease was for a 5-year term from May 1, 2011 to April 30, 2016, with an option to extend for 2 terms of 1 year each. The lease has been extended for a one-year term from May 1, 2016.</p> <p>In 2013, the Owner gave notice to the TTC of its intent to sell the Property. At its meeting held on February 24, 2014, the TTC Board of Commission recommended that City staff be requested to negotiate to acquire the Property; however no final commitment be made without prior Board approval. At its meeting on February 25, 2016, the TTC Board provided its final approval of the acquisition of the Property.</p> <p>A complete Phase 1 and Phase 2 Environmental Site Assessment as well as a Designated Substance Survey were completed for the subject Property and based on the findings, the subsurface soil and groundwater conditions at the site meet the Ministry of the Environment and Climate Change standards and other requirements such that it is fit for the intended municipal purpose.</p> <p>Negotiations between the City and the Owner for the acquisition of the Property have resulted in an Offer to Sell from the Owner. Staff consider the terms of the Offer to Sell, on the terms outlined in Appendix "A" and Confidential Attachment 1, to be fair and reasonable, and therefore recommend the approval of this transaction.</p>
Terms	See attached Appendix "A" and Confidential Attachment 1

Property Details	Ward:	11 – York-South Weston
	Assessment Roll No.:	1914-07-1-010-450000
	Approximate Area:	2.164 acres
	Improvements:	Industrial building – 34,952 sf GFA

A.	Deputy City Manager & Chief Financial Officer has approval authority for:	City Manager 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:</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>(a) Approvals, Consents, Notices and Assignments under all Leases/Licences;</p> <p>(b) Releases/Discharges;</p> <p>I Surrenders/Abandonments;</p> <p>(d) Enforcements/Terminations;</p> <p>(e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates;</p> <p>(f) Objections/Waivers/Cautions;</p> <p>(g) Notices of Lease and Sublease;</p> <p>(h) Consent to regulatory applications by City, as owner;</p> <p>(i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title;</p> <p>(j) Documentation relating to Land Titles applications;</p> <p>(k) Correcting/Quit Claim Transfer/Deeds.</p>	<p><input checked="" type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million;</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding twelve (12) months, including licences for environmental assessments and/or testing, etc.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 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 \$3 Million).</p> <p>Delegated to a less senior position.</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 Million.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million;</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 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 \$5 Million).</p> <p>Delegated to a less senior position.</p>

B. City Manager and Deputy Manager & Chief Financial Officer each has signing authority on behalf of the City for:

Documents required to implement the delegated approval exercised by him.

Consultation with Councillor(s)									
Councillor:	Frances Nunziata					Councillor:			
Contact Name:	Jennifer Ciccheli (EA)					Contact Name:			
Contacted by:		Phone	x	E-Mail		Memo		Other	
Comments:	No objection (April 21/16)					Comments:			
Consultation with ABCDs									
Division:	TTC					Division:	Financial Planning		
Contact Name:	Virginia Dabrus					Contact Name:	Warren Daniel		
Comments:	Comments have been incorporated (April 18/16)					Comments:	Agrees with the Financial Impact (April 18/16)		
Legal Division Contact									
Contact Name:	Deborah Boudreau (April 18/16)								

DAF Tracking No.: 2016-087	Date	Signature
Recommended by: Manager, Tim Park		
Recommended by: Director of Real Estate Services for	April 25, 2016	Signed by Brian Varner
Recommended by: Chief Corporate Officer	April 28, 2016	Signed by Josie Scioli
Approved by: Deputy City Manager & Chief Financial Officer Roberto Rossini	May 2, 2016	Signe by 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**.
- (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 licenses (City as Licensor) is limited to periods (including options/renewals) of less than twenty-one (21) years, save and except for residential leasing matters and .
- (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.

DAF No. 2016-087

Appendix "A"

**Non-Confidential Terms of the Offer to Sell
from 695072 Ontario Limited to the City of Toronto**

Address:

391 Alliance Avenue, Toronto

Vendor:

695072 Ontario Limited

Legal Description of Property:

Part of Block J on Plan 5098, Township of York, designated as Parts 1 to 4 on Reference Plan 64R-10227, subject to CY480916 and TB290579, Toronto (PIN No. 10514-0052 (LT))

Irrevocable Period:

30 days after the Vendor's execution of the Offer

Purchase Price:

See Confidential Attachment 1

Deposit:

\$10.00

Due Diligence Period:

90 days after the Offer is accepted by the City, subject to the right of the City to extend for a further 30 days.

Closing Date:

30 days after City's Notice of Waiver or Notice of Satisfaction in connection with the Due Diligence Condition.

Conditions:

City to be satisfied with due diligence inquiries.

Appendix "B" – Location Map

