

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

TRACKING NO.: 2017-007

<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 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).		
<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:	Jack Harvey	Division:	Real Estate
Date Prepared:	February 28, 2017	Phone No.:	7-7704
Purpose	To obtain authority to enter into amending agreement no. 15 ("Amending Agreement No. 15") and amending agreement no. 16 ("Amending Agreement No. 16") with Telus Communications Company ("Telus") whereby the term of the existing Space and Services Agreement between the City, as sub-tenant and Telus, as sub-landlord (the "Agreement") will be extended by a period of three-years, commencing July 11, 2017 and expiring on July 10, 2020.		
Property	73 Laird Drive, Toronto, owned by 3944824 Canada Inc. and leased to Telus, its subsidiary. Telus is authorized to sub-lease the Premises and to provide hosting and other related services at the Building to the City.		
Actions	<ol style="list-style-type: none"> (1) authority be granted to enter into Amending Agreement No. 15 and Amending Agreement No. 16 with Telus, substantially on the terms and conditions as listed below, and subject to such further revisions and other terms and conditions as may be acceptable to the Chief Corporate Officer or designate, and in a form acceptable to the City Solicitor; (2) the Chief Corporate Officer or designate shall administer and manage Amending Agreement No 15 and Amending Agreement No. 16, 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 matters (including their content) to City Council for its determination and direction; and (3) the appropriate City Officials be authorized and directed to take whatever action is necessary to give effect thereto. 		
Financial Impact	<p>Total cost to the City for the three-year extended term (the "Extended Term") contemplated in Amending Agreement No. 15 will comprise:</p> <ul style="list-style-type: none"> • charges totalling \$2,227,280 subject to per diem adjustments for any part-month plus, • additional mandatory building escort cost, cross connect fees and Bell service line totalling \$50,000 <p>The total cost to the City for the Extended Term will be \$2,227,280. All amounts are subject to additional HST. Funding is available in the 2016 Council Approved Operating Budget for Information & Technology. The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>The Space and Services Agreement was initially authorized by Item GM10.7 of the Government Management Committee, adopted in Council on December 3, 2007. Under the Agreement, Telus sub-leased to the City premises comprising co-location caged space for data services operations.</p> <p>As authorized by DAF 2012-097 dated March 29, 2012, the City and Telus entered into an amending agreement whereby to extend the term for five years commencing July 11, 2012 and ending July 10, 2017.</p> <p>As further authorized by DAF 2013-275 and DAF 2014-153, the City and Telus entered into amending agreements establishing the area of the premises for the period July 11, 2015 to July 10, 2017 as 1,104 square feet.</p> <p>Amending Agreement No. 16 will reduce billing by Telus to the City, by 96 sqft of space from the existing 1104 sq. ft. cage for a total of 1,008 sqft of billable space, effective upon execution of Amending Agreement No. 16, to end on July 10, 2017.</p> <p>The proposed Lease Amending Agreements will secure the City's use of the premises until the new location is completed and the operation is relocated. The expected relocation will take place prior to July 10, 2020.</p>		
Terms	See Page 4.		
Property Details	Ward:	26 – Don Valley West	
	Assessment Roll No.:	1906-04-3-020-00200	
	Approximate Size:	1,008 Square Feet	
	Approximate Area:		
	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/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: 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 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/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:					Councillor:					
Contact Name:					Contact Name:					
Contacted by:		Phone	X	E-Mail		Memo		Other		
Comments:					Comments:					
Consultation with ABCDs										
Division:					Division:					
Contact Name:					Contact Name:					
Comments:					Comments:					
Legal Division Contact										
Contact Name:					Soo Kim Lee					
DAF Tracking No.: 2017-007			Date			Signature				
Recommended by:			Wayne Duong, Mgr. Leasing & Site Mgt.			Apr/6/2017			Sgd.\ Wayne Duong	
<input checked="" type="checkbox"/>	Recommended by:		Director of Real Estate Services Joe Casali			Apr/11/2017			Sgd.\ Brian Varner, Actg. Dir.	
<input type="checkbox"/>	Approved by:									
<input checked="" type="checkbox"/>	Approved by:		Chief Corporate Officer Josie Scioli			April/16/2017			Sgd.\ 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.

Appendix "A"

1. Terms of Amending Agreement No. 15, between Telus Communications Company ("Telus"), as landlord and City of Toronto (the "City"), as tenant.

Three year commitment to Telus, to sub-lease co-location caged space and to pay rent for such space as summarized in the following rent table:

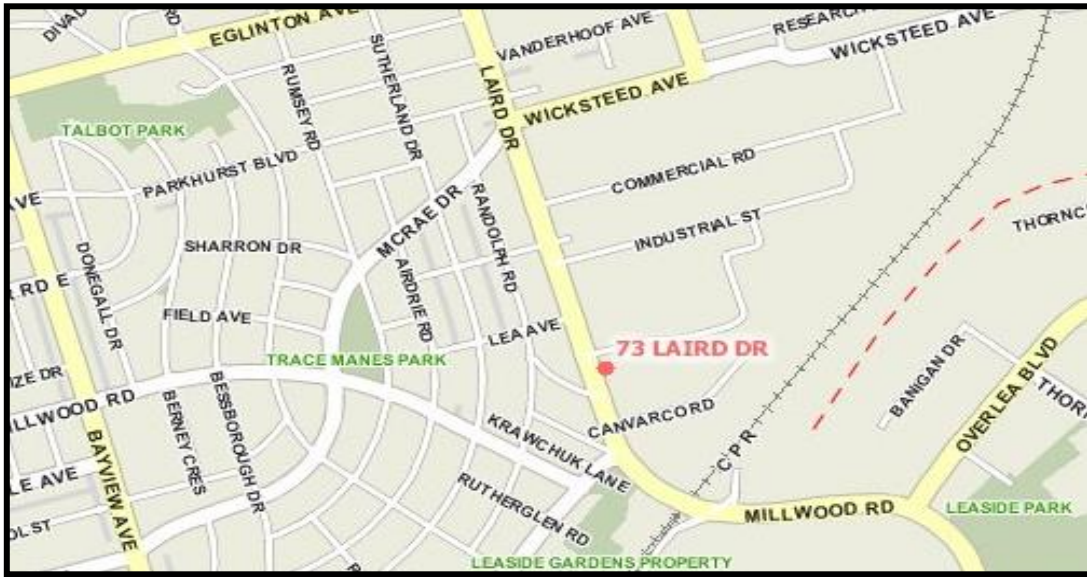
Year of Extension Term	Cage Size (sqft)	Rent/ sqft/month	Annual Rent for Cage	Additional Rent/Year *	Total Annual Rent**
Year 1-July 11, 2017 to July 10, 2018	1008	\$60	\$725,760	\$20,000	\$745,760
Year 2-July 11, 2018 to July 10, 2019	1008	\$60	\$725,760	\$15,000	\$740,760
Year 3-July 11, 2019 to July 10, 2020	1008	\$60	\$725,760	\$15,000	\$740,760
Totals				\$50,000	\$2,227,280

*Mandatory building escort cost, cross connection fees and Bell service line

** HST not included; includes all additional costs

2. Terms of Amending Agreement No. 16 - Reduce billing by Telus to the City, by 98 sqft of space from the existing 1104 sqft cage, for a total of 1,008 sqft of billable space, effective upon execution of Amending Agreement No. 16, to end on July 10, 2017.

LOCATION MAP
73 Laird Drive



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