

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

TRACKING NO.: 2017- 218

- 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 on 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), and further amended by GM16.16 entitled "Transit Shelter Property Acquisitions" adopted by City Council on December 13, 14 and 15, 2016 (Confirmatory By-Law No. 1290-2016, enacted on December 15, 2016).
- 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:	Tatiana Kononova	Division:	Real Estate Services
Date Prepared:	August 11, 2017	Phone No.:	(416) 392 – 3883

Purpose	To obtain authority to enter into a lease extension and amending agreement (the "Agreement") for the lease (the "Lease") with 1176847 Ontario Limited (the "Tenant") with respect to approximately 5,095 square feet of vacant land used for parking purposes to: (i) extend the Lease (currently on over hold) for a further period of 3 years from June 1, 2017 to May 31, 2020 (the "Extended Term"), and (ii) to amend relevant terms and conditions of the Lease, including but not limited to: basic rent and option to extend for a further 2 years (June 1, 2020 to May 31, 2022), provided that an Official Plan Amendment is secured by the Tenant at its sole cost and expense, on or before December 31, 2019; (ii) a Declaration of Surplus process is successfully completed by City staff; and (iii) the Tenant is not in default and has not been in default during the Extended Term.
Property	Part of the Lawrence Avenue Reservoir (Caledonia Park) located at 1144 Lawrence Avenue West, Toronto, ON and adjacent to 1020 Lawrence Avenue West, Toronto, ON (the "Property"). The location of the Property is shown on Schedule "A", the leased premises are shown outlined in red on Schedule "B" and Schedule "C" (the "Premises").
Actions	<ol style="list-style-type: none"> 1. Authority be granted to enter into the Agreement with the Tenant subject to the terms and conditions outlined in Appendix "A" of this form, and on such other terms and conditions as may be satisfactory to the Chief Corporate Officer, and in a form acceptable to the City Solicitor; 2. The Chief Corporate Officer or her designate, administer and manage the Agreement 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 to City Council for its determination and direction; and, 3. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>The Agreement will generate \$60,000.00 (plus HST and all applicable taxes) in revenue to the City of Toronto for the Extended Term of three (3) years. If the option to further extend is exercised by the Tenant, the total revenue to the City of Toronto over the Extended Term and the two (2) year further extension will be approximately \$100,000.00 (plus HST and all applicable taxes).</p> <p>The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>As authorised by DAF No. 00–55, the City leased to the Tenant the Premises for a term of five (5) years, commencing on June 1, 1999 and expiring on May 31, 2004. The Tenant has been over holding under the Lease from June 01, 2004 to May 31, 2017.</p> <p>Negotiations were concluded with the Tenant for a three (3) year lease extension and amending agreement commencing June 1, 2017 at \$20,000.00 per annum net rent (plus HST and all applicable taxes), which is equal to \$3.93 per square feet times 5,095 square feet of land per annum.</p> <p>The Extended Term of the Agreement is three (3) years instead of five (5) years, because five (5) years would result in a cumulative lease term exceeding twenty-one (21) years. The leased premises are within "Parks and Open Space Area", as designated in the City's Official Plan. The Tenant's option to extend for another (2) years, is conditional upon: (i) the Tenant securing an Official Plan Amendment at its sole cost on or before December 31, 2019, and (ii) City staff completes Declare Surplus process.</p> <p>The Premises are within jurisdiction of Toronto Water, as Lawrence Avenue Reservoir is subsurface at the Property, and are south east of the Caledonia Park within Parks, Forestry and Recreation (PF&R) purview.</p> <p>Real Estate Services staff consider the proposed rent and other terms and conditions in the Agreement to be fair, reasonable and at market value.</p>
Terms	See Appendix "A" on page 4 for Major Terms and Conditions.

Property Details	Ward:	15 – Eglinton-Lawrence
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	5095 Square Feet
	Other Information:	N/A

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 checked="" 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 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 or her.

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:					Contacted by:				
Comments:					Comments:				
Consultation with ABCDs									
Division:					Division:				
Contact Name:					Contact Name:				
Comments:					Comments:				
Legal Division Contact									
Contact Name:									
DAF Tracking No.: 2017-218									
Recommended by:					Date		Signature		
Manager of Leasing and Site Management					Aug/17/2017		Sgd.\ Actg.Manager Daran Somas		
<input type="checkbox"/> Recommended by: Director of Real Estate Services Joe Casali					Aug/18/2017		Sgd.\ Joe Casali		
<input checked="" type="checkbox"/> Approved by:									
<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 being available from third party sources, except for "Strategic Property Acquisitions" as set out in EX44.22 adopted by Council August 25, 26, 27 and 28, 2014, which identifies alternative funding mechanisms subject to additional approval requirements.
- (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, except for property acquisitions of 50M² or less for transit shelter purposes.
- (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"**Major Terms and Conditions for the Lease Extension and Amending Agreement**

Landlord: City of Toronto

Tenant: 1176847 Ontario Limited

Property: Part of the Lawrence Avenue Reservoir (Caledonia Park) located at 1144 Lawrence Avenue West, Toronto, ON and adjacent to 1020 Lawrence Avenue West, Toronto, ON

Leased Area: Approximately 5,095 square feet

Use: Parking cars while such vehicles are being used in connection with the occupation of the Tenant's building located at 1020 Lawrence Avenue West, and no other purpose

Term: Three (3) years commencing June 1, 2017 and expiring May 31, 2020

Conditional Option to Extend / Official Plan Amendment:

The Premises are within the "Parks and Open Space Areas", as designated by the City of Toronto Official Plan, and the Lease cannot be further extended or renewed, unless a site specific Official Plan amendment to permit use of the Premises is approved by the City of Toronto, in its capacity as municipal planning authority, and such Official Plan Amendment comes into full force and effect, with no further rights of appeal.

The Tenant shall have the right to extend the Term of the Lease for a period of two (2) years commencing June 1, 2020 and expiring May 31, 2022, provided that:

- (i) the Official Plan Amendment is secured by Tenant at its sole cost and expense, on or before December 31, 2019;
- (ii) a declaration of surplus process is successfully completed by the Landlord's staff; and
- (iii) the Tenant is not in default and has not been in default during the Term.

In order to extend the Term the Tenant shall provide a written notice to the Landlord not less than six (6) months before the expiration of the Term.

Early Termination by Either Party: At any time during the Term and any extension thereof, the Landlord or the Tenant shall have the right (but not the obligation) to terminate the Lease upon giving Six (6) months written notice of such termination to the other party.

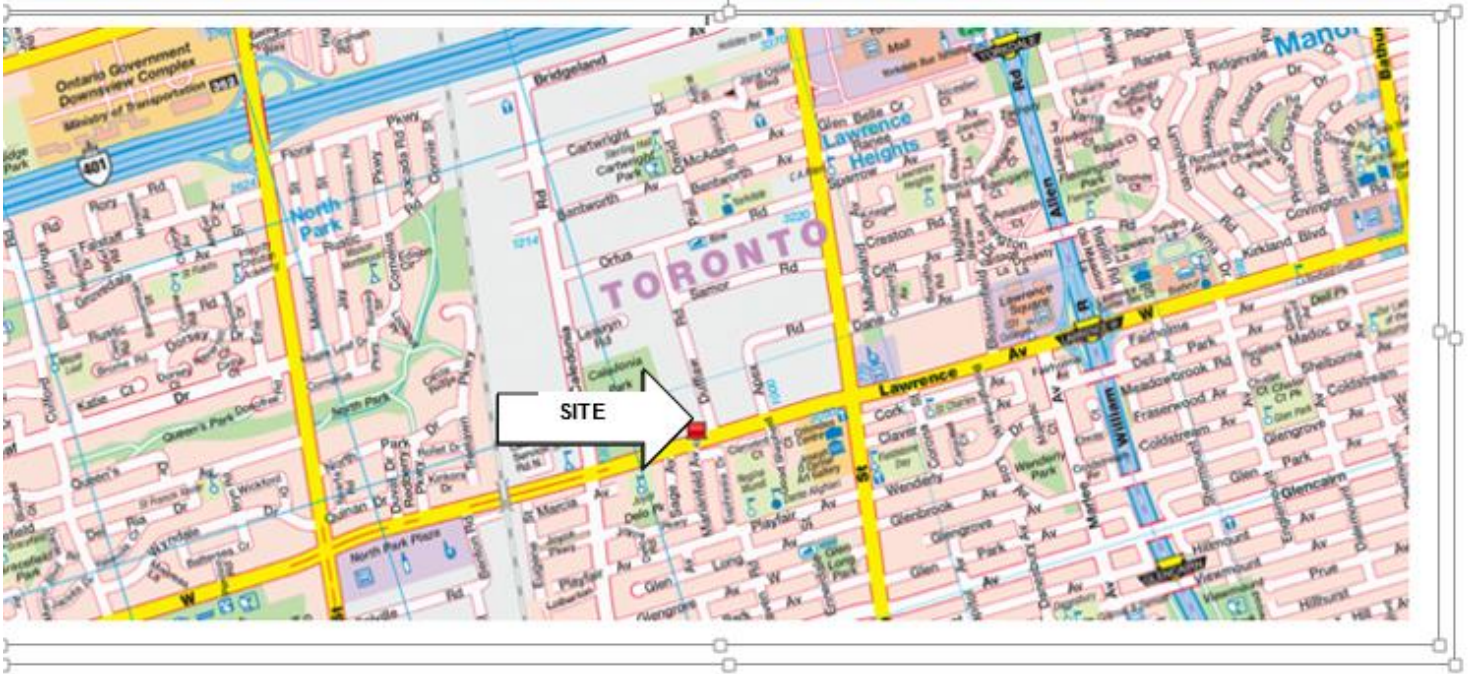
Free Access outside Tenant business hours: As set out in Section 4 (1) (hh) of the Lease, the Tenant shall allow sports teams and park users free and unfettered access to and use of the Leased Area for parking, outside the Tenant's normal business hours. Tenant's business hours are: Monday to Friday: 9 am – 6 pm; and Saturday: 9:30 am to 5 pm.

Insurance: Comprehensive general liability insurance coverage for \$5,000,000.00 per occurrence.

Basic Rent: During the Term, the Tenant shall pay to the Landlord the rent of \$20,000.00 per year (plus HST and all applicable taxes), payable in advance on the first day of each and every month, on the amount of \$1,666.67 per month (plus HST and all applicable taxes).

Additional Rent: Tenant is responsible for: (i) realty taxes [Section 4(1)(b)], (ii) goods and services tax, value added taxes [Section 4(1)(c)], and (iii) Operating Costs, including utilities, maintenance and operation of the Leased Area, compliance with applicable laws, costs of providing security, supervision, waste collection, disposal, recycling, snow removal, and cost of insurance [Section 4 (1) (II)].

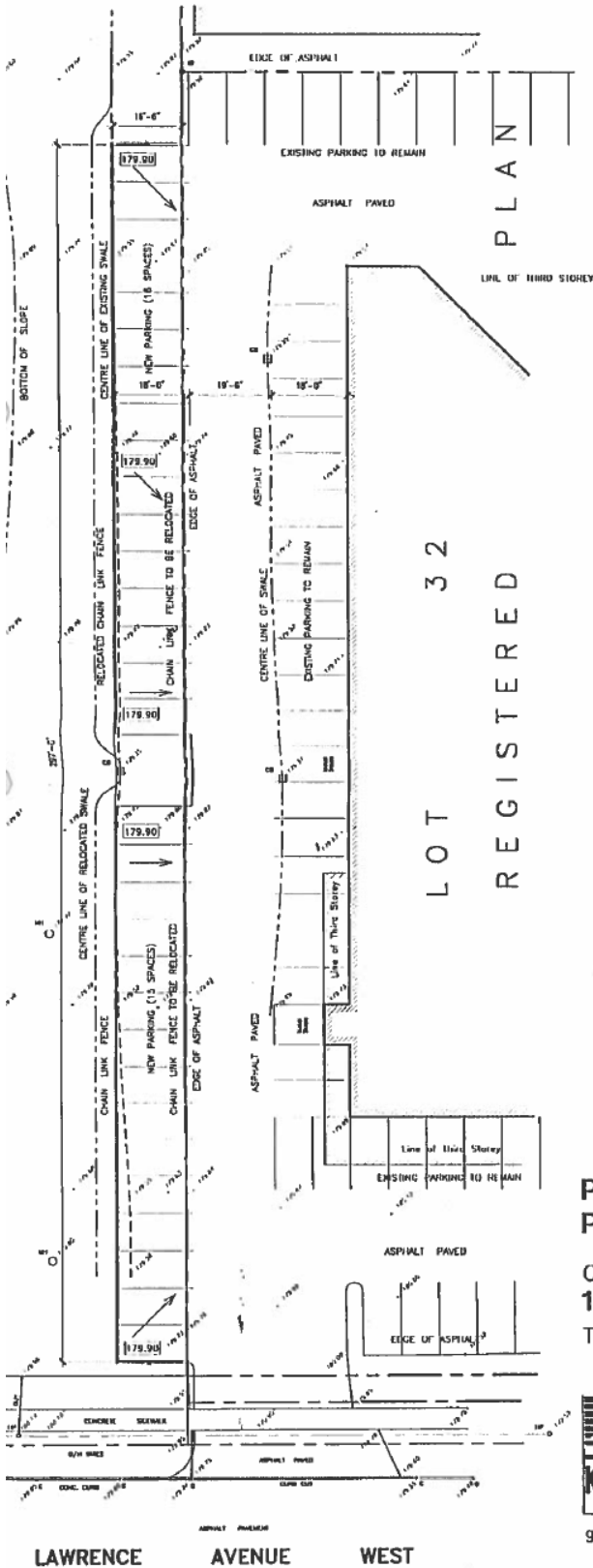
SCHEDULE "A" SITE LOCATION MAP



SCHEDULE "B" SITE MAP



SCHEDULE "C" SKETCH



PROPOSED NEW 31 PARKING SPACES

ORFUS REALTY
1020 LAWRENCE AVE WEST
TORONTO, ONTARIO



Architects & Planners

23 Lesmill House, Suite 200
North York, Ont. M2H 3P6
Tel: (416) 510-8300
Fax: (416) 510-8301

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