

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

TRACKING NO.: 2017-184

- 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:	Simona Rasanu	Division:	Real Estate Services
Date Prepared:	August 8, 2017	Phone No.:	416-397-7682

Purpose	To obtain approval to enter into a Permission to Enter Agreement (the "Agreement") respecting the property located at 354 George Street owned by Her Majesty the Queen in Right of Ontario as represented by the Ministry of Infrastructure as represented by the Ontario Infrastructure and Lands Corporation, also known as Infrastructure Ontario (the "Licensor") to undertake environmental and due diligence activities.
Property	Part of the property municipally known as 354 George Street as shown in Appendix "B" (the "Licensed Area").
Actions	<ol style="list-style-type: none"> 1. The City enter into the Agreement with the Licensor on the terms and conditions outlined in Appendix "A", and on such other amended terms and conditions as deemed appropriate by the Chief Corporate Officer (the “CCO”) or designate, and in a form satisfactory to the City Solicitor. 2. The CCO administer and manage the Agreement, including the provision of any consent, approvals, waivers, notices and notices of termination provided that the CCO may, at any time, refer consideration of such matter to City Council for its determination and direction. 3. 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 this approval. The City will pay a nominal fee of \$1.00.</p> <p>The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>At its meeting of November 3, 2015, City Council adopted item EX9.6 entitled "George Street Revitalization – Recommended Scope and Approach" which endorsed the project scope for the George Street Revitalization project. In order to implement the project, the City’s Shelter, Support and Housing Administration division working in conjunction with the Chief Corporate Officer has to implement a transition plan and find accommodation for clients who will be displaced during the construction project.</p> <p>The property located at 354 George Street, formerly the York Detention Centre, has been identified as a potential candidate for lease and/or a possible acquisition. As part of its due diligence, the City requires access to the Licensed Lands to complete environmental testing.</p> <p>Real Estate Services considers the terms and conditions of the Agreement to be fair and reasonable.</p>
Terms	Please see Appendix "A"

Property Details	Ward:	27 – Toronto Centre-Rosedale

A.	Director of Real Estate Services has approval authority for:	Chief Corporate Officer has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
2. Expropriations:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.
3. Issuance of RFPs/REOs:	Delegated to a more senior position.	<input type="checkbox"/> Issuance of RFPs/REOs.
4. Permanent Highway Closures:	Delegated to a more senior position.	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.
5. Transfer of Operational Management to ABCDs:	Delegated to a more senior position.	<input type="checkbox"/> Transfer of Operational Management to ABCDs.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	Delegated to a more senior position.	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.
9. Leases/Licences (City as Landlord/Licensor):	N/A	
10. Leases/Licences (City as Tenant/Licensee):	<input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 Million;
11. Easements (City as Grantor):	<input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million.	<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.
12. Easements (City as Grantee):	<input type="checkbox"/> (b) When closing road, easements to pre-existing utilities for nominal consideration.	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.
13. Revisions to Council Decisions in Real Estate Matters:	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
14. Miscellaneous:	<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).	Delegated to a less senior position.
	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences;	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
	<input type="checkbox"/> (b) Releases/Discharges;	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences;
	<input type="checkbox"/> (c) Surrenders/Abandonments;	<input type="checkbox"/> (b) Releases/Discharges;
	<input type="checkbox"/> (d) Enforcements/Terminations;	<input type="checkbox"/> (c) Surrenders/Abandonments;
	<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates;	<input type="checkbox"/> (d) Enforcements/Terminations;
	<input type="checkbox"/> (f) Objections/Waivers/Cautions;	<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates;
	<input type="checkbox"/> (g) Notices of Lease and Sublease;	<input type="checkbox"/> (f) Objections/Waivers/Cautions;
	<input type="checkbox"/> (h) Consent to regulatory applications by City, as owner;	<input type="checkbox"/> (g) Notices of Lease and Sublease;
	<input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title;	<input type="checkbox"/> (h) Consent to regulatory applications by City, as owner;
	<input type="checkbox"/> (j) Documentation relating to Land Titles applications;	<input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title;
	<input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds.	<input type="checkbox"/> (j) Documentation relating to Land Titles applications;
		<input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds.

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) - June 23, 2017										
Councillor:			Kristyn Wong-Tam				Councillor:			
Contact Name:			Melissa Wong				Contact Name:			
Contacted by:		Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other		
Comments:		No objections				Comments:				
Consultation with ABCDs										
Division:			Shelter, Support and Housing Administration				Division:			Financial Planning
Contact Name:			Ann Peixoto				Contact Name:			Felisha Jenkins
Comments:			Comments have been incorporated				Comments:			Concurs with Financial Impact
Legal Division Contact										
Contact Name:			Jennifer Davidson and Catherine Thomas							
DAF Tracking No.: 2017-184					Date		Signature			
Recommended by: Manager – Leasing & Site Management					Aug/10/2017		Sgd.\Wayne Duong			
<input type="checkbox"/>	Recommended by: Director of Real Estate Services				Aug/18/2017		Sgd.\ Joe Casali			
<input checked="" type="checkbox"/>	Approved by: 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 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

Licensee: City of Toronto

Licensor: Her Majesty the Queen in Right of Ontario as represented by the Ministry of Infrastructure as represented by the Ontario Infrastructure and Lands Corporation, also known as Infrastructure Ontario (IO)

Licensed Area: Portion of the property known as 354 George Street as shown on Appendix 'B'

Term: Commences upon execution of the Agreement and expires no later than March 30, 2018

Option to Extend: two (2) options of three (3) months each upon providing at least ten (10) business days' written notice to the Licensor. The Licensor reserves the right to refuse the City's request for extension, acting reasonably.

Use: The City and its authorized representatives shall have non-exclusive temporary access to the Licensed Area to undertake environmental due diligence activities in, on and around the building on the property, including the following activities:

1. Selective testing and examination of the exterior walls, interior walls and roofing system
2. Site verification and inspection of the overall mechanical and electrical systems and structure of the building.
3. Further environmental investigations and testing to clarify previously inconclusive testing
4. Restoration and repair work as may be required to the property due to any damages caused as a result of the due diligence testing.

Insurance: The City shall cause its representatives to have the following types of insurance:

1. Comprehensive General Liability with limits of not less than \$5 million per occurrence
2. Professional liability insurance in an amount not less than \$5 million per claim
3. Contractors' pollution liability with limits of not less than \$5 million per occurrence

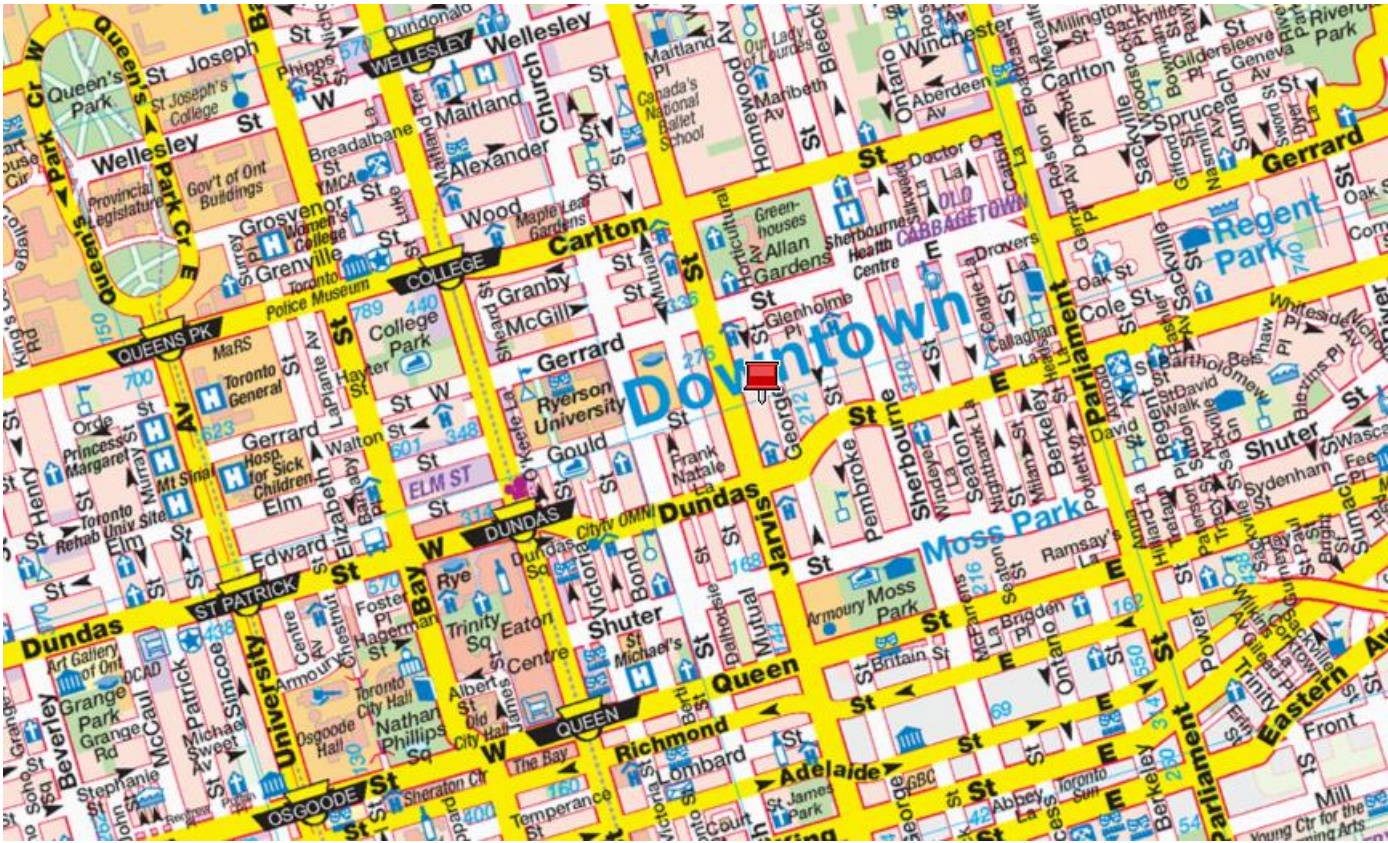
Indemnification and Release: The City agrees to indemnify and hold harmless the Licensor from and against any all liabilities, losses, costs, damages and similar claims resulting from the City's exercise of its rights pursuant to the Agreement made in the course and completion of the due diligence activities.

Miscellaneous

The City agrees as follows:

1. To provide a valid Work Place Safety and Insurance Board (WSIB) clearance certificate to the Licensor prior to the commencement date.
2. Security checks may be required from all of its authorized representatives and agrees that the costs associated with these checks should be that of the City and/or representatives.
3. To obtain all necessary approvals and permits required to undertake its due diligence activities and provide copies to the Licensor.
4. Except for the known location and quantity of the hazardous substances as set out in Schedule "D" of the Agreement, the City shall not cause or permit to be placed, stored, located, discharged or disposed of, on, or under any part of the Licensed Lands any hazardous substances or material which does not currently exist.
5. To repair all damage caused by the City and/or representatives at its cost. The City shall have the right to excavate and work on the Licensed Lands, if necessary.
6. The Licensor may terminate the Agreement in the event the City does not remedy any breaches of the Agreement within 5 business days after being provided written notice from the Licensor. The Licensor may also terminate the Agreement in the event that the City misuses any confidential information, assigns its rights under the Agreement or engages in any fraudulent or unlawful activity.

Appendix "B": Location Map and Sketch of Licensed Area



Licensed Area