

DELEGATED APPROVAL FORM
CITY MANAGER
DEPUTY CITY MANAGER, INTERNAL CORPORATE SERVICES

TRACKING NO.: 2018-016

Approved pursuant to the Delegated Authority contained in Executive Committee Item EX27.12, as adopted by City Council on October 2, 3 and 4, 2017 or, where applicable, in Executive Committee Item EX28.8, as adopted by City Council on November 7, 8 and 9, 2017

Prepared By:	Vin Madan	Division:	Toronto Parking Authority
Date Prepared:	January 2, 2018	Phone No.:	(416) 393-7285

Purpose To obtain authority to amend certain terms of the purchase and sale transaction between the Toronto Parking Authority (the "TPA") regarding the carpark located at 1607 Eglinton Avenue West (the "Property") and Empire Communities (1603 Eglinton) Ltd. (the "Developer") approved by DAF No. 2017-131 dated May 8, 2017.

Property 1607 Eglinton Avenue West, described as being Lots 17 and 18, on the south side of Eglinton Avenue West, and Lots 19 and 20, on the north side of Lanark Avenue, all on Plan 1687, City of Toronto (formerly Township of York) (Property Identifier No. 10451-0024(LT), save and except the at-grade strata being sufficient in area to accommodate a surface parking facility with no less than 34 spaces (the "Property").

- Actions**
- Authority be granted to amend the purchase and sale transaction between the Toronto Parking Authority and Empire communities (1603 Eglinton) Ltd. previously authorized in DAF Tracking No. 2017-131 by:
 - (a) the TPA's obligations respecting the purchase from the Developer of the Condominium Public Parking Spaces whereby the Developer will develop and transfer to the City a subsurface fee simple strata of lands beneath the Site (being the Property (1607 Eglinton Avenue West) and the Adjoining Lands (1603 Eglinton Avenue West)) to be used as a public parking facility by TPA for between 20 and 25 parking spaces to be acquired by TPA at a fixed-price cost of \$22,500 per space (excluding HST) shall be deleted;
 - (b) the TPA will not contribute to the costs of construction of a passenger elevator to service the below grade parking facility; and
 - (c) TPA will re-acquire an option to manage the Condominium Public Parking Spaces for public parking purposes within the Project's Condominium Parking Garage for an initial term of twenty (20) years, together with an option in favour of the TPA to renew the parking management agreement on renewal terms to be negotiated in good faith; all of which as outlined in the body of this report and detailed under *Terms*.
 - The appropriate City and Toronto Parking Authority officials be authorized and directed to take the necessary action to give effect to DAF 2017-131 as amended hereby.

Financial Impact The transaction closed June 13, 2017. Under the terms of the PSA, the Developer paid the TPA a Purchase Price of \$1.0 million for the sub-surface and a stratified surface portion of the Subject Property and will, at no cost to the TPA, construct, make good and convey back to the City an at-grade surface parking facility built on the surface of the Subject Property, as the boundaries are adjusted based on the as-built structure, in accordance with the 2014 TPA specifications for a municipal parking garage (the "Public Parking Facility") consisting of a minimum of 34 spaces.

The TPA's obligations respecting the acquisition of a 20 to 25 space garage forming part of the underground condominium parking garage within the project (the "Condominium Public Parking Spaces") at a fixed-price cost of \$22,500 per space (excluding HST) will be amended to an option to manage only. In addition, the TPA will no longer contribute \$125,000 to the costs of construction of a passenger elevator connecting the surface Public Parking Facility to the underground Condominium Public Parking Spaces. The Developer has confirmed that they will no longer build the elevator. The TPA will still incur costs of \$45,000 for signage, parking control equipment and related security systems. The Developer has approximately 30 months to complete the project from the commencement of construction, which was to have been no later than September 30, 2017.

Overall, with the sale of the development rights for Carpark 664, the TPA will realize a revised estimated minimum net gain of approximately \$825,000 on account of not acquiring the 20 to 25 space garage forming part of the underground condominium parking garage within the project nor contributing to the costs of construction of a passenger elevator connecting the surface Public Parking Facility to the underground Condominium Public Parking Spaces.

Continued on Page 4

Terms *Detailed on Page 4*

Property Details	Ward:	15 – Eglinton-Lawrence
	Assessment Roll No.:	1914-03-1-300-02300
	Approximate Size:	19.2 m x 56.86 m ± (36.08 ft x 186.5 ft ±)
	Approximate Area:	1,091.7 m ² ± (11,751 ft ² ±)
	Other Information:	The TPA will re-acquire an option to manage the 25 parking spaces forming part of the underground condominium parking garage within the project.

A.	Deputy City Manager, Internal Corporate Services has approval authority for:	City Manager 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 Divisions and Agencies:</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 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><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 Divisions and Agencies.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input checked="" type="checkbox"/> Where total compensation does not exceed \$5 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 \$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"/> (c) Where compensation is less than market value, provided tenant and lease satisfy Community Space Tenancy Policy criteria set out in Item EX28.8, as adopted by Council on November 7, 8 and 9, 2017.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input checked="" type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input checked="" 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 subject to General Condition (u)).</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 \$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 subject to General Condition (u)).</p> <p>Delegated to a less senior position.</p>

<p>B. City Manager and Deputy Manager, Internal Corporate Services each has signing authority on behalf of the City for:</p> <ul style="list-style-type: none"> • Documents required to implement matters for which he or she also has delegated approval authority.
<p>Deputy City Manager, Internal Corporate Services also has signing authority on behalf of the City for:</p>
<ul style="list-style-type: none"> • Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval. • Expropriation Applications and Notices following Council approval of expropriation.

Consultation with Councillor(s)															
Councillor:	Josh Colle				Councillor:										
Contact Name:	Stas Ukhanov				Contact Name:										
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other	Contacted by:	Phone		E-mail		Memo		Other
Comments:	Councillor Colle is supportive of the revised agreement January 17, 2018				Comments:										

Consultation with Divisions and/or Agencies					
Division:	Real Estate Services		Division:	Financial Planning	
Contact Name:	Nick Simos, Manager Development and Portfolio		Contact Name:	Lauren Birch	
Comments:	Comments have been incorporated		Comments:	Concurs with the financial implications	

Legal Division Contact	
Contact Name:	Michele Desimone

DAF Tracking No.: 2018- 016	Date	Signature
Recommended by: Acting President, Toronto Parking Authority		
Recommended by: Director, RES, David Jollimore	Jan. 22, 2018	Signed by David Jollimore
<input type="checkbox"/> Recommended by: Deputy City Manager, Internal Corporate Services	Jan. 22, 2018	Signed by Josie Scioli
<input checked="" type="checkbox"/> Approved by: Josie Scioli		
<input type="checkbox"/> Approved by: City Manager, Peter Wallace		X

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. In the event of a vacancy in the Ward in which the subject property is located, the Mayor's office shall be consulted in the alternative.
- (b) Where approving power has been delegated to staff, the Deputy City Manager, Internal Corporate Services, in consultation with any other 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 as defined in the *Toronto Waterfront Revitalization Corporation Act, 2002* 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 of City Planning, 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, as leases of 21 years or more may be authorized based on the delegated Approving Authority for disposals in **A.7**.
- (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, including ancillary agreements, 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) 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.
- (aa) All residential leasing documents shall adhere to the *Residential Tenancies Act, 2006* and any successor legislation.
- (bb) Despite GC(n), Approving Authority in residential leasing matters is not limited to periods of less than twenty-one (21) years and total compensation in residential leasing matters where the City is landlord is to be calculated based on an assumed term of ten years unless the lease term expressly identified therein is longer.
- (cc) Where Approving Authority has been delegated to the Manager level, such authority shall be conditional upon the Manager first having secured the written concurrence of a second Manager within the Real Estate Services Division.

Financial Impact - Continued from Page 1

Since there are no payments associated with this purchase and sale agreement in 2018, there is no requirement to adjust the current 10-Year Capital Budget and Plan. Any future operating impacts associated with the new parking facility will be included in 2019 and future year operating budget submissions.

The Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.

Decision History

As noted in DAF No. 2017-131, the TPA Board approved the terms and conditions of a purchase and sale agreement between the TPA and the Developer, the Property was declared surplus pursuant to DAF No.2013-188 on September 4, 2013 with the intended manner of sale being a sale to the Developer, and the terms of the purchase and sale transaction between the Toronto Parking Authority and the Developer for the sale of development rights, to re-develop the at-grade portion of 1607 Eglinton Avenue West (which will be retained by the City) for a minimum of 34 parking spaces to Toronto Parking Authority's specifications were approved through DAF No. 2017-131 dated May 8, 2017.

Terms

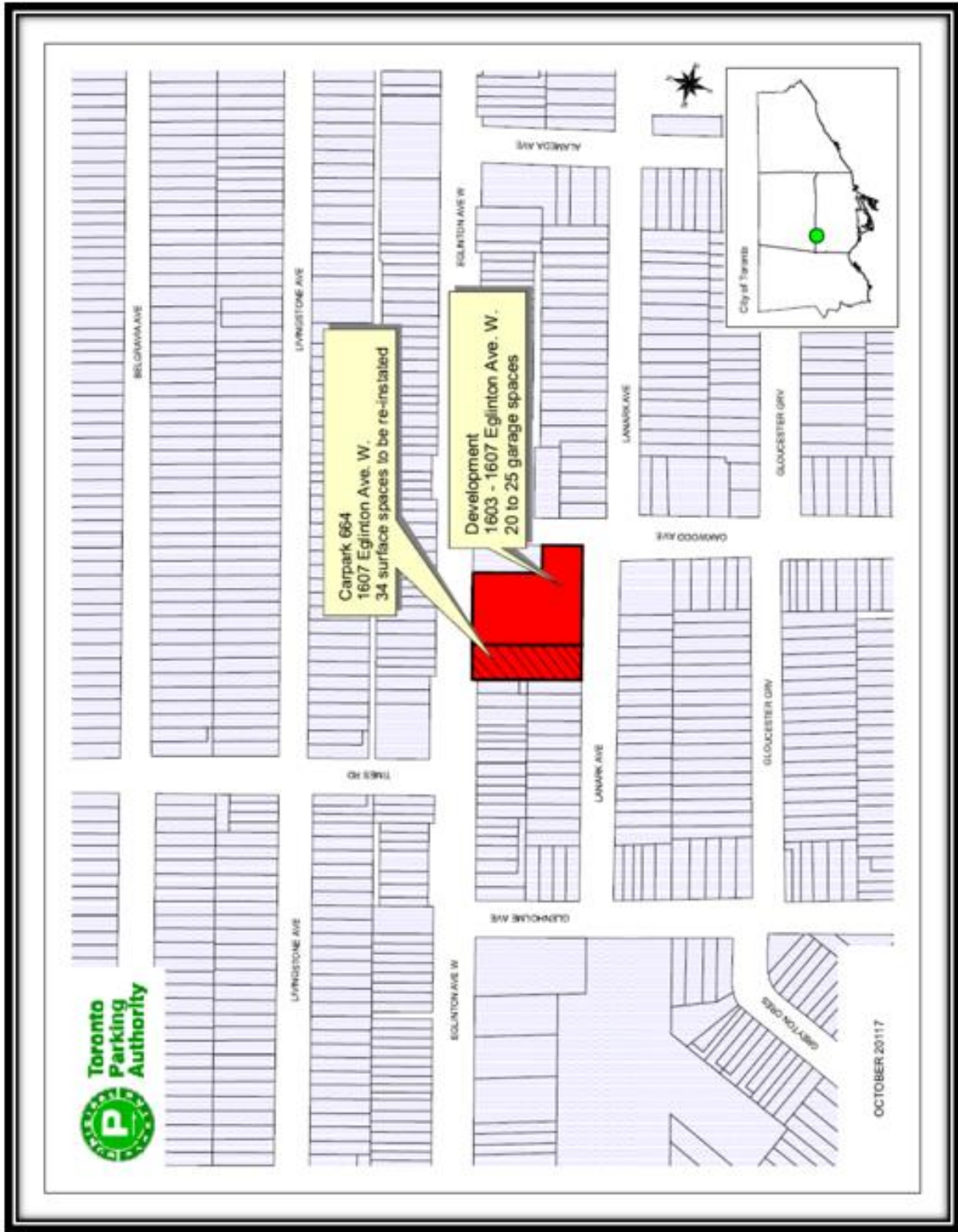
The following summarizes the terms and conditions of the proposed Amending Agreement between the TPA (as "Vendor") and Empire Communities (1603 Eglinton) Ltd. (as "Purchaser") which agreement remains to be executed between the parties:

- a. The plans shall be amended to remove the elevator between the Public Parking Facility and the Condominium Public Parking Spaces. The contribution of \$125,000 by the TPA for construction of such elevator shall be deleted.
- b. The terms of the purchase by the TPA from the Developer of the Condominium Public Parking Spaces shall be deleted.
- c. The Developer shall grant to the TPA the option, to be exercised on or before the earlier of: (a) the date which is six (6) months prior to the date of Substantial Completion of the Project, and (b) the ninetieth (90th) day after the date that all re-shoring jacks have been removed from the P1 level of the Condominium Parking Garage (the "Option Expiry Date") by Notice in writing to manage and operate the Condominium Public Parking Spaces for an initial term of twenty (20) years, together with an option in favour of the TPA to renew the parking management agreement on renewal terms to be negotiated. The management fee payable to the TPA for the initial term would be based on a net-profit sharing arrangement pursuant to which arrangement the Developer would be responsible for all expenses related to the Condominium Public Parking Spaces including, without limitation, all realty taxes, utilities, maintenance and repairs. The net profit (based on gross revenue (net of HST) derived from the Condominium Public Parking Spaces less the operating expenses) from the operation of the Condominium Public Parking Spaces would be shared as follows: 25% to the TPA, in payment of the management fee, with the balance of the net profit payable to the Purchaser. The management fee shall be set out in a management agreement between the TPA, as manager, and the owner of the Condominium Parking Garage, to be negotiated by the parties thereto each acting in good faith and which will include other usual terms such as allocation of responsibility and payment for any upgrades or changes to the Condominium Parking Garage requested by the TPA and agreed to by Empire. If the parties are not able to settle and execute such management agreement within thirty (30) Business Days of the date that the option was exercised, then the option shall be null and void and neither party shall have any further obligation to the other.

Summary

The proposed amendments to the approved transaction involve TPA re-acquiring an option to manage the Condominium Public Parking Spaces for an initial term of twenty (20) years, together with an option in favour of the TPA to renew the parking management agreement on renewal terms to be negotiated in good faith. In addition, the TPA will no longer be contributing to the costs of the construction of a passenger elevator to service the below grade parking facility. The proposed amendments to the approved transaction will be of benefit to both the City and the TPA as the TPA will no longer be purchasing the Condominium Public Parking Spaces including the ramp and / or drive aisles all of which are below that of a minimum design standard considered acceptable for ownership by the TPA.

APPENDIX 'A' SITE LOCATION MAP



OCTOBER 2017