

DELEGATED APPROVAL FORM
DIRECTOR, REAL ESTATE SERVICES
MANAGER, REAL ESTATE SERVICES

TRACKING NO.: 2018-186

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:	Van Hua	Division:	Real Estate Services
Date Prepared:	June 11, 2018	Phone No.:	416 338 9572

Purpose
 To obtain authority for the City, in its capacity as landlord under the lease between the City and Mogul Properties Ltd., as tenant (the "**Tenant**") dated January 31, 1973, as assigned, renewed and amended from time to time (together, the "**Lease**"), to enter into an agreement (the "**Landlord Consent Agreement**") with the Tenant and Royal Bank of Canada (the "**Leasehold Mortgagee**") consenting to the granting of a mortgage (the "**Leasehold Mortgage**") of the Lease by the Tenant to the Leasehold Mortgagee, confirming that the lease is in good standing and confirming that the Leasehold Mortgagee may rely on certain provisions in the Lease.

Property
 1011 Dufferin Street, Toronto. See Schedule "A".

- Actions**
1. Authority be granted to execute and deliver the Landlord Consent Agreement substantially on the terms set out in the "Purpose" and "Comments" section hereof, in a form satisfactory to the Director of Real Estate Services and the City Solicitor.
 2. The appropriate City Officials are authorized and directed to take the necessary action to give effect thereto.

Financial Impact
 There is no financial impact resulting from this approval.

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

Comments
 The Municipality of Metropolitan Toronto leased the lands located at the northeast corner of Dufferin Street and Bloor Street West for a term of thirty three (33) years commencing on January 31, 1973 and expiring December 31, 2005, with two (2) options to renew, each for a period of thirty-three (33) years. The first option to renew has been exercised and the current term expires on December 31, 2038. The original tenant built a commercial building on the property. The Lease has been assigned several times by the tenants thereunder from time to time.

The Tenant has obtained a loan commitment from the Leasehold Mortgagee to be secured by, among other things, the Leasehold Mortgage. Section 43 of the Lease permits such financing by the Tenant subject to Section 36, which among other things requires the City's consent as landlord to an assignment of the Lease. The City has been given a copy of a commitment letter between the Tenant and the Mortgagee dated March 22, 2018 describing the terms and conditions of the loan.

Paragraph 45 of the Lease requires the Landlord to provide a compliance certificate to the Tenant whenever reasonably requested. Paragraph 43 of the Lease contains provisions which are primarily for the benefit of mortgagees of the Tenant's leasehold interest. Paragraph 40 of the Lease provides among other things that the City shall provide notice to any leasehold mortgagee by assignment of any default by the tenant under the Lease. In paragraph 43(g) of the Lease, the City represents and warrants to the Tenant that a leasehold mortgagee can rely on the provisions of paragraph 43 and enforce them against the City; however, the Leasehold Mortgagee has requested that the City confirm in the Landlord Consent Agreement that the Leasehold Mortgagee can enforce the provisions of section 43 and 40 against the City in order to create a contractual relationship between the Leasehold Mortgagee and the City in this regard. The City is also obtaining the Leasehold Mortgagee's agreement that the City can at its option exercise Paragraph 45 of the Lease to redeem the Leasehold Mortgage and the Leasehold Mortgagee's and Tenant's acknowledgement that the first option to renew the Lease has been exercised. To the best of the City's knowledge, the Lease is in good standing, including payment of rent and realty taxes. Real Estate Services considers the Tenant's request for consent and the terms of the Landlord Consent Agreement to be fair and reasonable.

Terms
 n/a.

Property Details	Ward:	18 Davenport
	Assessment Roll No.:	1904-03-1-100-11800
	Approximate Size:	
	Approximate Area:	1,170.00 m ² (12,593.78 ft ²)
	Other Information:	

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services 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: 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 \$50,000.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</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 \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.</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>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</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"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 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>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><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 \$1 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>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</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 roads, 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 subject to General Condition (u)).</p> <p><input checked="" 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 checked="" type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates</p> <p><input type="checkbox"/> (f) Objections/Waivers/Caution</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. Director, Real Estate Services and Manager, Real Estate Services each has signing authority on behalf of the City for:
<ul style="list-style-type: none"> • Documents required to implement matters for which he or she also has delegated approval authority. • Expropriation Applications and Notices following Council approval of expropriation (Manager, Acquisitions & Expropriations is only Manager with such signing authority).
Director, Real Estate Services also has signing authority on behalf of the City for:
<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. • Community Space Tenancy Leases approved by delegated authority by Deputy City Manager, Internal Corporal Services and any related documents.

Consultation with Councillor(s)										
Councillor:			Councillor Ana Bailao				Councillor:			
Contact Name:							Contact Name:			
Contacted by:		Phone	x	E-Mail		Memo		Other		
Comments:							Comments:			
Consultation with Divisions and/or Agencies										
Division:							Division:			Financial Planning
Contact Name:							Contact Name:			Patricia Libardo
Comments:							Comments:			Consent
Legal Division Contact										
Contact Name:			Mark Zwegers							

DAF Tracking No.: 2018-186	Date	Signature
Recommended by: Daran Somas, Real Estate Services	June 12, 2018	Signed by Daran Somas
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Tim Park/Nick Simos	June 12, 2018	Signed by Tim Park
<input checked="" type="checkbox"/> Approved by: Deputy City Manager Internal Corporate Services Josie Scioli	June 12, 2018	Signed by 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. 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.

Schedule "A"

The Property

1011 Dufferin Street, Toronto

Legal Description: PT LT 4-6 BLK C PL 622 North West Annex PT 3, 64R13281

