

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

TRACKING NO.: 2018-160

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:	April 30, 2018	Phone No.:	416 338 9572

Purpose	To obtain authority for the City of Toronto (the " City ") to enter into a sublease agreement (the " Sublease ") with BMO Nesbitt Burns Corporation Limited (the " Sub-Landlord ") for office space. 8174709 Canada Inc. is the Head Landlord .
Property	100 Consilium Place, (the " Property ") as shown in Appendix "A". The leased premises are suites 104 and 106, (the " Premises ") as shown in Appendix "B".
Actions	<ol style="list-style-type: none"> The City shall enter into the Sublease with the Sub-Landlord for the Premises on the major terms and conditions outlined in Appendix "C" attached hereto and on such other or amended terms as may be satisfactory to the Director, Real Estate Services and in a form acceptable to the City Solicitor. The Director, Real Estate Services or his/her successor or designate, shall administer and manager the Sublease including provision of any consents, certificates, approvals, waivers, notices and notices or termination, provided that the Deputy City Manager, Internal Corporate Services may at any time refer consideration of such matters to City Council for its determination and direction. The appropriate City Officials are authorized and directed to take the necessary action to give effect thereto. The City Solicitor be authorized to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as he/she considers reasonable.
Financial Impact	<p>The total cost to the City over a term of Eighteen (18) months is \$466,843.79 (net of HST recoveries), of which \$158,238.84 (net of HST recoveries) relates to basic rent, \$254,500.79 (net of HST recoveries) for additional rent, and \$54,104.16 (net of HST recoveries) for parking. Parking is not part of the Sublease but will still be a cost for Toronto Water.</p> <p>Annual cost to the City is detailed as follows: \$155,614.60 (net of HST recoveries) for 2018 and \$311,229.19 (net of HST Recoveries) for 2019. Funding is available in the 2018 Council Approved Capital Budget and Plan for Information & Technology under cost centre CIT047-01-03.</p> <p>The Interim Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>The 60 Tiffield Road data centre is being upgraded to industry resiliency standards and is also being expanded to provide sufficient space to consolidate several City, Divisional, and Agency data centres which will provide operational efficiency. In order to accommodate Toronto Water staff who are currently located at 60 Tiffield Road, while the upgrades and construction take place, swing space is required for a period of approximately twelve (12) to eighteen (18) months.</p> <p>Real Estate Services consider the negotiated terms to be fair and reasonable.</p>
Terms	Please see Appendix "A".

Property Details	Ward:	38 – Scarborough Centre
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	802.59 m ² (8,639.00 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>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 checked="" 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 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/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 De Baeremaeker				Councillor:				
Contact Name:					Contact Name:				
Contacted by:	Phone	x	E-Mail		Memo		Other		
Comments:					Comments:				
Consultation with Divisions and/or Agencies									
Division:	Toronto Water				Division:	Financial Planning			
Contact Name:	Francis K. Poon				Contact Name:	Patricia Libardo			
Comments:	Consent				Comments:	Consent			
Legal Division Contact									
Contact Name:	David Eveline								

DAF Tracking No.: 2018-160	Date	Signature
Recommended by: Daran Somas, Supervisor, Real Estate Services	Apr/30/2018	Sgd.\Daran Somas
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Tim Park	Apr/30/2018	Sgd.\ Tim Park
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services David Jollimore	May/1/2018	Sgd.\ David Jollimore

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.

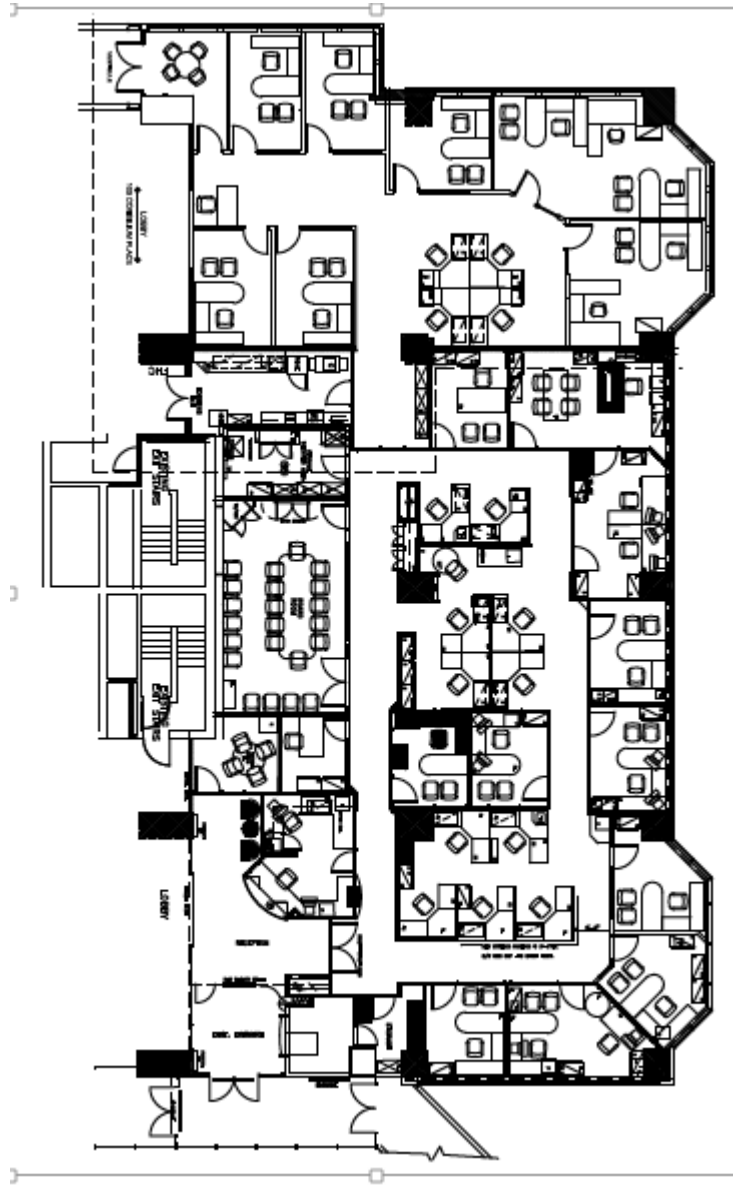
Appendix "A"

The Property



Appendix "B"

The Premises



Appendix "C"**Major Terms and Conditions**

Head Landlord:	8174709 Canada Inc.
Sub-Landlord:	BMO Nesbitt Burns Corporation Limited
Sub-Tenant:	City of Toronto
Leased Premises:	8,639.00 square feet. Suites 104 and 106 of 100 Consilium Place, Toronto.
Lease Term:	Eighteen (18) months (the "Term").
Commencement Date:	July 1, 2018.
Fixturing Period:	The City has a Rent free period for two (2) months commencing May 1, 2018.
Basic Rent:	The Basic Rent for the Term shall be \$12.00 per square foot.
Additional Rent:	Current estimated operating costs and realty taxes for 2018 are approximately \$19.30 per square foot per annum including utility charges.
First Month's Rent:	On or before the start of the fixturing period, the Sub-Tenant shall pay to the Sub-Landlord the Gross Rent for the first month of the Term.
Use:	Office use or any other lawful use.
Early Termination:	The Sub-Tenant shall have the option to terminate upon providing at least sixty (60) days prior written notice to the Sub-Landlord any time after April 30, 2019.
Furniture and Equipment:	The Sub-Landlord shall give to the Sub-Tenant all furniture currently in the Premises at no cost to the Sub-Tenant. The Sub-Tenant will identify and tag all unwanted furniture and equipment and the Sub-Landlord shall remove the unwanted furniture and equipment prior to the Commencement Date.
Sub-Landlord's Work:	The Sub-Landlord will remove or at a minimum de-activate the Automatic Teller Machine (ATM) that is currently located within the leased premises and remove all signage related to the ATM at their sole cost.