

**DEPUTY CITY MANAGER, INTERNAL CORPORATE SERVICES**

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:	Loretta Ramadhin	Division:	Real Estate Services
Date Prepared:	June 6, 2018	Phone No.:	416-392-7169

<b>Purpose</b>	To authorize the Section 24 agreement to facilitate the acquisition of the property municipally known as 1269 Danforth Road, Toronto (the "Property") and the settlement of compensation (the "Agreement") with Bracegate Limited ("the Owner"), with respect to the proposed expropriation of the Property which is required for a Traction Power Sub-Station (TPSS) for the Scarborough Subway Extension (the "Project").
<b>Property</b>	The property municipally known as 1269 Danforth Road, Toronto, legally described as Part of Lot 24, Cond D, as in SC496622, SCARBOROUGH, CITY OF TORONTO, Being all of PIN 06361-0096 (LT) as shown on the Property Sketch in Appendix "B" and the Location Map in Appendix "C".
<b>Actions</b>	<ol style="list-style-type: none"> <li>1. Authority be granted to enter into the Agreement with the Owner, substantially on the terms and conditions outlined in Appendix "A" and in the Confidential Attachment, including the payment of interest, legal, appraisal, and other costs, in accordance with the <i>Expropriations Act</i>, and such other or amended terms as may be acceptable to the Deputy City Manager and in form satisfactory to the City Solicitor.</li> <li>2. The Confidential Attachment should remain confidential until there has been a final determination of all property transactions and claims for compensation related to the Project.</li> <li>3. The City Solicitor be authorized to complete the transaction on behalf of the City, including making any necessary payments and amending any dates or terms, on such terms as the City Solicitor considers reasonable.</li> <li>4. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.</li> </ol>
<b>Financial Impact</b>	<p>Funding for this Agreement, as set out in the Confidential Attachment, is included in the 2018 Council Approved Capital Budget and 2018-2026 Capital Plan for the Toronto Transit Commission (TTC), within the Scarborough Subway Extension Capital Project.</p> <p>The Acting Chief Financial Officer has reviewed this Delegated Approval Form and agrees with the financial impact information.</p>
<b>Comments</b>	<p>At its meeting of March 28 and 29, 2017, City Council approved the extension of Line 2 (Bloor-Danforth Subway) from Kennedy Station to Scarborough Centre via the McCowan alignment. The Project will require three (3) Traction Power Substations (TPSS), needed for powering the subway. The Property has been identified as the ideal location for one TPSS. Discussions with the Owner have commenced and while the Property is not yet required for the Project,, the Owner has expressed an interest in selling the lands as soon as possible.</p> <p>At its meeting of December 5, 6, 6 and 8, 2017, City Council authorized the Director, Real Estate Services, to negotiate the acquisition of the Property, and if unsuccessful, to initiate the expropriation process.</p> <p>Staff have successfully negotiated an agreement with the Owner. Separate agreements will be negotiated with tenants as required.</p>
<b>Terms</b>	Refer to Appendix "A" and Confidential Attachment.

<b>Property Details</b>	<b>Ward:</b>	38 – Scarborough Centre
	<b>Assessment Roll No.:</b>	1901063010005000000
	<b>Approximate Size:</b>	1375.93 m <sup>2</sup> ± (14,810.4 ft <sup>2</sup> ±)
	<b>Approximate Area:</b>	
	<b>Other Information:</b>	

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 &amp; Parks &amp; 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 type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input checked="" 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 &amp; 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 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 type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input 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><b>Delegated to a less senior position.</b></p> <p><b>Delegated to a less senior position.</b></p> <p><b>Delegated to a less senior position.</b></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><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.</p> <p><b>Delegated to a less senior position.</b></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><b>Delegated to a less senior position.</b></p>

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

Consultation with Councillor(s)															
Councillor:	Councillor Glenn De Baeremaeker					Councillor:									
Contact Name:	Gwen Mackay					Contact Name:									
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other	Contacted by:	Phone		E-mail		Memo		Other
Comments:	May 31, 2018					Comments:									
Consultation with Divisions and/or Agencies															
Division:	Toronto Transit Commission					Division:	Financial Planning								
Contact Name:	Natasha Jailal					Contact Name:	Patricia Libardo								
Comments:	concurs					Comments:	concurs								
Legal Division Contact															
Contact Name:	Constance Lanteigne														

DAF Tracking No.: 2018- 215	Date	Signature
Recommended by: Manager, Real Estate Services – T. Park	June 7, 2018	Signed by Tim Park
Recommended by: Director, Real Estate Services – D. Jollimore	June 7, 2018	Signed by David Jollimore
<input type="checkbox"/> Recommended by: Deputy City Manager, Internal Corporate Services	June 8, 2018	Signed by Josie Scioli
<input checked="" type="checkbox"/> Approved by: Josie Scioli		
<input type="checkbox"/> Approved by: Acting City Manager, G. Carbone		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 50M<sup>2</sup> 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"****Terms and Conditions**

Owner:	Bracegate Limited
Property:	The property municipally known as 1269 Danforth Road, Toronto, legally described as Part of Lot 24, Cond D, as in SC496622, SCARBOROUGH, CITY OF TORONTO, Being all of PIN 06361-0096 (LT)
Compensation:	Refer to Confidential Attachment
Completion Date:	The later of September 30, 2018 or the 30 days following the date upon which all of the tenants have vacated the Property or as otherwise may be agreed by the parties, but no later than December 31, 2019.
Vacant Possession:	<p>It shall be the responsibility of the City to negotiate vacant possession from Money Financial Inc. and 2402497 Ontario Inc., either through expropriation or otherwise, at the expense of the City.</p> <p>The Owner will ensure the termination of leases and the surrender of premises from Qadir Yosefzay and R.J's Grill. The Owner will provide a Full and Final Release and a Surrender of Lease executed by each tenant.</p>
Expropriation Act:	The parties agree that the City may proceed with the expropriation of the Property in order to ensure vacant possession.
Releases:	The Owner releases and forever discharges the City of and from all actions, claims, demands, costs, damages, expenses and loss whatsoever which, against the City, the Owner now has or which the Owner hereafter can, shall have arising out of this Agreement and/or the purchase or expropriation of the Property, save for any direct negligence, omission, or willful misconduct of the City.

Appendix "B"

Property Sketch



### Appendix "C"

#### Location Map

