

Approved pursuant to the Delegated Authority contained in Item EX27.12, as adopted by City Council on October 2, 3 and 4, 2017, as amended by Item GM27.12, as adopted by City Council on May 22, 23 and 24, 2018, and as amended by Item EX36.4, as adopted by City Council on July 23, 24, 25, 26, 27 and 30, 2018

Prepared By:	Loretta Ramadhin	Division:	Real Estate Services										
Date Prepared:	August 17, 2018	Phone No.:	416-392-7169										
Purpose	To obtain authority for the City to accept the Offer to Sell (the "Offer") from UGO IV INC. (the "Owner") to acquire the property municipally known as 2299 Dundas Street West, Toronto, for the purpose of creating a new emergency shelter location, required for the George Street Revitalization project.												
Property	The property municipally known as 2299 Dundas Street West, Toronto, legally described as Lot 2 and Part of Lots 1, 3 and 4 on Plan 664 City West as in CA520251, City of Toronto, being all of PIN 21350-0293(LT), (the "Property"), as shown on the Plan of Survey 4347 in Appendix "B" and Location Map in Appendix "C".												
Actions	<ol style="list-style-type: none"> 1. The City accept the Offer and acquire the Property from the Owner, substantially on the terms and conditions outlined herein and in the Confidential Attachment, and on any such other or amended terms and conditions as deemed appropriate by the City Manager and in a form acceptable to the City Solicitor. 2. 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 or she considers reasonable. 3. The Confidential Attachment remain confidential until the transaction has been completed. 4. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto. 												
Financial Impact	<p>Funding for the costs as outlined in the Confidential Attachment is available in the 2018 – 2027 Council Approved Capital Budget and Plan for Shelter, Support and Housing Administration ("SSHA") under capital account CHS040-03</p> <p>The Interim Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>												
Comments	<p>Shelter, Support and Housing Administration ("SSHA"), requires the Property for a new shelter as part of the George Street Revitalization Project, which requires the existing residents of Seaton House be relocated to new locations.</p> <p>At its meeting of February 12, 2018, City Council adopted EX31.2, <i>2018 Capital and Operating Budgets</i>, for SSHA's 10-Year Capital Plan to include funding for the George Street Revitalization. http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX31.2</p> <p>The Property is comprised of a four storey medical office building with an above grade area of 22,648 sq ft and based on preliminary designs will be able to accommodate approximately 100 men from Seaton House. SSHA have circulated the required internal justification memo for the opening of a new site, which has been approved by Deputy City Manager, Cluster A, in accordance with the process set out in in CD24.7, <i>2018 Shelter Infrastructure Plan and Progress Report</i>, adopted by Council at its meeting of December 5, 6, 7 and 8, 2017.</p> <p>The Property is subject to two billboard leases, as further described in Appendix "D", which the Owner cannot terminate between the anticipated time of waiver or satisfaction of conditions in the Offer and Closing. Therefore, unless they are surrendered before Closing, the City will assume them as part of the transaction, provided that all related information provided by the Owner is satisfactory to the Director, Real Estate Services.</p>												
Terms	Refer to Appendix "A" and the Confidential Attachment												
Property Details	<table border="1"> <tr> <td>Ward:</td> <td>14 – Parkdale-High Park</td> </tr> <tr> <td>Assessment Roll No.:</td> <td></td> </tr> <tr> <td>Approximate Size:</td> <td>15.36 m x 35.10 m ± (50.39 ft x 115.16 ft ±)</td> </tr> <tr> <td>Approximate Area:</td> <td>6,903.11 m² ± (22,648 ft² ±)</td> </tr> <tr> <td>Other Information:</td> <td></td> </tr> </table>			Ward:	14 – Parkdale-High Park	Assessment Roll No.:		Approximate Size:	15.36 m x 35.10 m ± (50.39 ft x 115.16 ft ±)	Approximate Area:	6,903.11 m ² ± (22,648 ft ² ±)	Other Information:	
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Other Information:													

A.	Until the first scheduled City Council meeting of the 2018-2022 term, City Manager has approval authority for:
1. Acquisitions:	<input checked="" type="checkbox"/> Where total compensation does not exceed \$30 Million and the acquisition is for an emergency shelter, transit related purpose or other time sensitive proposal.
2. Expropriations:	<input type="checkbox"/> Acquisitions, agreements and settlements in cases where an expropriation has not been initiated, but where the compensation is reflective of what would be paid under the <i>Expropriations Act</i> and does not exceed \$10 Million.
3. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$30 Million and the lease is for an emergency shelter, transit related purpose or other time sensitive proposal.
B. City Manager 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. 	

Consultation with Councillor(s)														
Councillor:	Councillor Perks						Councillor:							
Contact Name:	Karen Duffy						Contact Name:							
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Contacted by:	Phone		E-mail		Memo		Other
Comments:	Emailed August 17, 2018						Comments:							
Consultation with Divisions and/or Agencies														
Division:	Shelter, Support and Housing Administration						Division:	Financial Planning						
Contact Name:	Irene Gryniowski						Contact Name:	Patricia Libardo						
Comments:	concur						Comments:	concur						
Legal Division Contact														
Contact Name:	Charlene Farrugia													

DAF Tracking No.: 2018- 302	Date	Signature
Recommended by: Manager, Real Estate Services, T. Park	August 27, 2018	Signed by Tim Park
Recommended by: Director, Real Estate Services, D. Jollimore	August 27, 2018	Signed by David Jollimore
Recommended by: Deputy City Manager, Internal Corporate Services Josie Scioli	August 30, 2018	Signed by Josie Scioli
Approved by: City Manager Chris Murray	September 4, 2018	Signed by Chris Murray

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.
- (dd) Where the City is transacting with a public agency, and such agency requires that an unqualified environmental indemnity be granted by the City, the authority to acquire property includes authority to grant such an indemnity, provided that the Phase I and Phase II environmental site assessments undertaken on behalf of the City have identified no significant environmental impacts or human health threats, with no, or minor action required ("Low Risk").

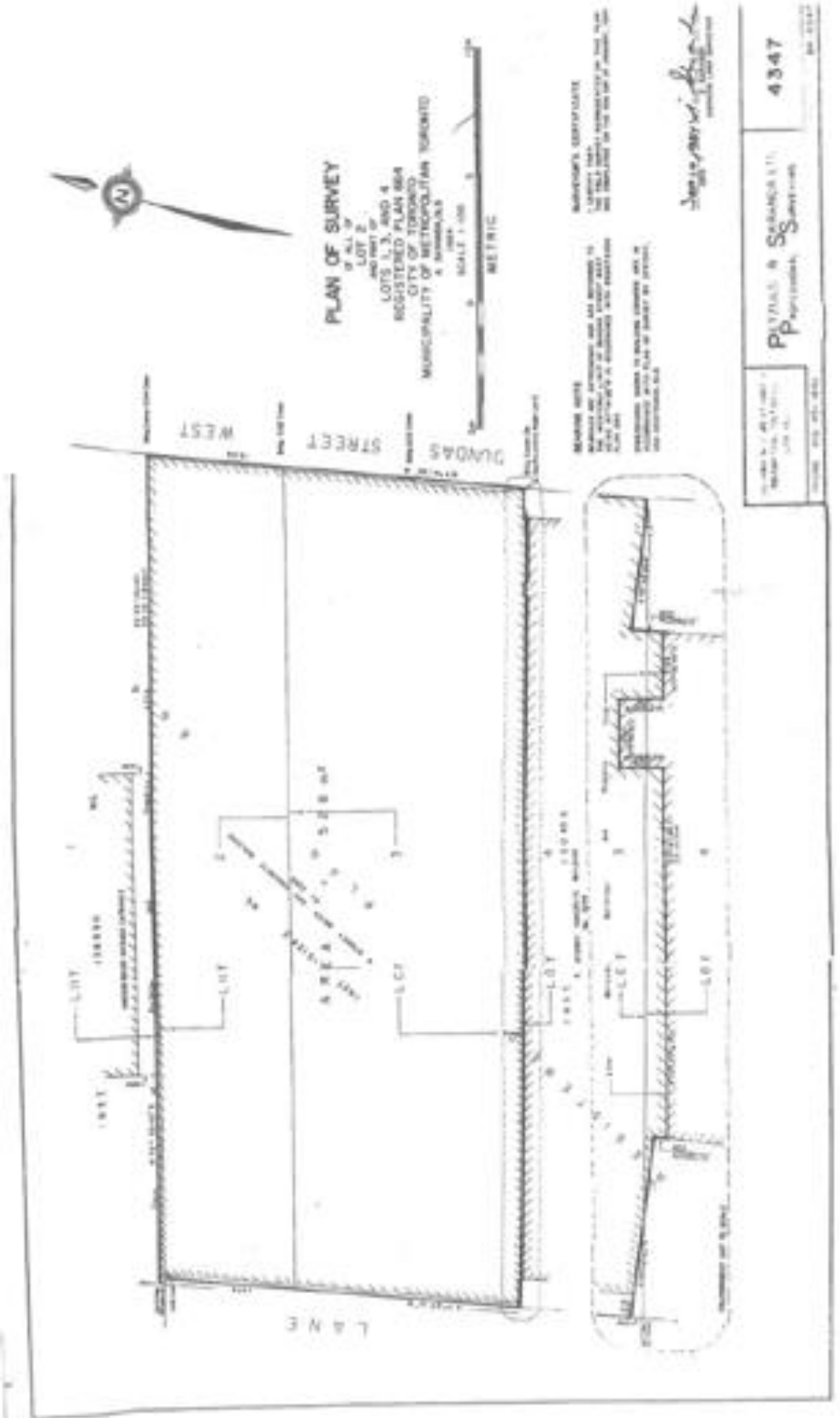
Appendix "A"

Terms and Conditions

Owner:	UGO IV INC.
Purchase Price:	Refer to Confidential Attachment
Deposit:	Refer to Confidential Attachment
Property:	2299 Dundas Street West, Toronto, legally described as Lot 2 and Part of Lots 1, 3 and 4 on Plan 664 City West as in CA520251, City of Toronto, being all of PIN 21350-0293(LT)
Irrevocable Period:	The period of time ending at 11:59 p.m. 45 days after the Owner's execution of the Offer.
Due Diligence Condition:	The period of time ending at 11:59 p.m. on the business day next following 90 days after the Acceptance Date (the date upon which the Offer is executed by the City). The transaction is conditional until the end of the Due Diligence period on the City being satisfied that the Property is suitable for its purposes and being satisfied with the information provided in connection with the Billboard Leases to be assumed on Closing.
Vacancy Condition:	The period of time ending at 11:59 p.m. on the business day next following 90 days after the Acceptance Date. The transaction is conditional until the end of the Vacancy Period on the Owner delivering notice that it is prepared to provide vacant possession of the Property on Closing, subject only to the Billboard Leases.
Closing Date:	The business day next following the later of 100 days after (a) delivery of a notice of waiver or satisfaction in connection with the Due Diligence Condition; and (b) delivery of a notice of satisfaction to the City in connection with the Vacancy Condition.
Vacant Possession:	The Owner shall deliver on Closing, vacant possession of the Property, subject only to the lease to Cieslok Media Ltd., dated April 17, 2014, and the lease to Pattison Outdoor Advertising LP, dated September 25, 2012, to the extent that they are still in effect on Closing.
Debris Removal:	The Owner agrees to remove all debris and rubbish from the Property prior to the 5 th Business Day before the Closing Date and leave the Properties in a neat and tidy condition on Closing. If the City determines that the Owner has not performed this obligation, then the City shall be entitled to complete the transaction after holding back from the balance due on Closing an amount which shall be the greater of Fifty Thousand Dollars (\$50,000.00) or the amount estimated by the City to be the removal costs.
Information and Disclosure:	The Owner has provided the City, via an electronic data room, with access to documents which the Owner represents comprise all of the information pertaining to the Property in its possession or control as of the date of the Owner's execution of the Offer. The Owner will continue to disclose and update this information if there are any changes. City is to keep this information confidential until Closing, subject to City's disclosure obligations and authority processes.
Warranties and Indemnities:	Only limited warranties, qualified "to the best of the Owner's knowledge" were available from the Owner. The warranties and associated indemnity are limited to two years after the Closing Date.
Billboard Leases:	The Owner will deliver to the City all records of all rent payments, including minimum, additional and percentage rent payments if applicable, made by the tenants under the Billboard Leases; information regarding any expenses incurred by the Owner as landlord in connection with the Billboard Leases, along with supporting records; information regarding the cost of hydro consumed in connection with the Billboard Leases; an acknowledgement from each of the tenants under the Billboard Leases addressed to the City, acknowledging the terms of the relevant lease, that such lease is in good standing, and that there are no defaults or monies owing by either of the parties. The Owner will assign to the City any Billboard Leases still in effect on Closing, including an indemnity for the landlord's obligations during the period prior to Closing and any necessary consents. The City will indemnify the Owner for the landlord's obligations for the period after Closing. The Billboard Leases are described in Appendix "D"

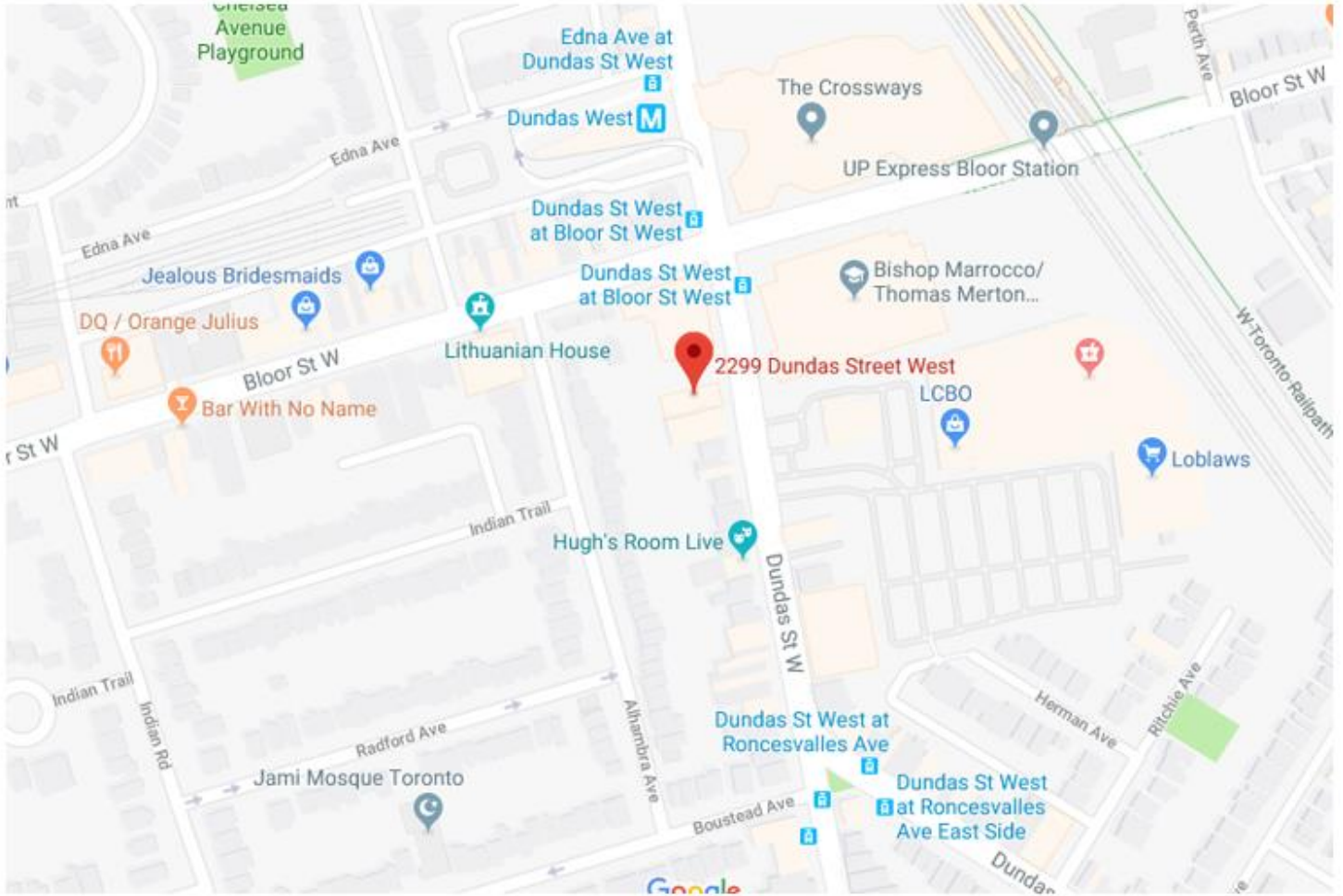
Appendix "B"

Plan of Survey 4347



Appendix "C"

Location Map



Appendix "D"**Billboard Leases****(1) Lease to Cieslok Media Ltd. (now Astral Media), dated April 17, 2014**

Billboard area: 30' x 30'

Term: 5 years, ending on August 31, 2019

Rent: Greater of \$3,000 per annum and 25% of net annual billings with respect to advertising sales

Option to renew: One additional term of 5 years

Indemnity: Limited to litigation arising from operation of billboards or lessee's gross negligence (extreme departure from the reasonable standard of care) or wilful misconduct

Hydro: Lessee to pay \$91.10 per month, subject to any increases to electrical cost

Exclusivity: Lessee to have exclusive right to 3rd party advertising on Property, except for Pattison sign

Termination: On sixty days, by lessor (1) with lessee's consent in the event of demolition or major construction of building, (2) for non-payment of rent (3) in the event removal of billboard is required by an authority; and by lessee, in limited circumstances, mainly where continued advertising is not profitable or otherwise viable

Right of First Refusal: In the event of termination, lessee has right of first refusal for two years to re-lease billboard area

Assignment: Consent of other party required for lessor or lessee (except to purchaser of business) to assign

(2) Lease to Pattison Outdoor Advertising LP, dated September 25, 2012

Billboard area: 10' x 20'

Term: After initial 5 year term (now expired), automatically renewed from year to year thereafter unless either party gives notice not to renew at least 30 days preceding each expiry date

Rent: \$4,300 per annum

Indemnity: None, but lessee agrees to repair any damage to building wall caused by the billboard

Hydro: Lessee to pay all charges for electricity consumed

Termination: Lessor may terminate if premises are redeveloped or for non-payment. Lessee may terminate if not profitable or permits not granted

Permit Authorization: Lessor authorizes lessee to apply in lessor's name for permits/approvals, and to commence and continue associated proceedings in lessor's name, provided that lessee shall be responsible for associated costs and expenses

Content restriction: No political or controversial subject matter permitted without approval of lessor