

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

TRACKING NO.: 2019-057

Approved pursuant to the Delegated Authority contained in Item EX27.12, as adopted by City Council on October 2, 3 & 4, 2017, as amended by Item GM27.12, adopted by City Council on May 22, 23 & 24, 2018 or, where applicable, in Item EX28.8, as adopted by City Council on November 7, 8 & 9, 2017

Prepared By:	Patricia Palmieri	Division:	Real Estate Services
Date Prepared:	February 26, 2019	Phone No.:	416-392-4829

Purpose	To obtain authority to enter into interim leases (the " Leases ") between the City of Toronto (the " Landlord ") and various tenants (the " Tenants ") as identified in Appendix "A", for the rentable area of approximately 73 acres of vacant land, office and warehouse space at 30 Newbridge Road and 36 North Queen Street, Toronto.
Property	The lands municipally known as 30 Newbridge Road and 36 North Queen Street (PINs 07549-0055 and 07549-0113, respectively) displayed on the map attached hereto as Appendix "B" (the "Property")
Actions	<ol style="list-style-type: none"> The City enter into the Leases with the Tenants for various premises at the Property each for a term of six (6) months on terms and conditions outlined in Appendix "A" together with such other terms and conditions as may be satisfactory to the Director of Real Estate Services and in a form acceptable to the City Solicitor. The Deputy City Manager, Corporate Services ("DCM"), or her successor or designate shall administer and manage the Leases including the provision of any consents, approvals, waivers, notices and notices of termination provided that the DCM may, at any time refer consideration of such matters (including their content) to City of Toronto Council for its determination and direction; and The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>The total revenue to the City is approximately \$1,461,168.84 plus HST over the Term, commencing February 1, 2019 and expiring on July 31, 2019. The City will be collecting the rent for the 6 months.</p> <p>The Chief Financial Officer & Treasurer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>On May 22, 23 and 24, 2018, City Council adopted item number GM27.14 authorizing the City to take all necessary steps to comply with the Expropriations Act to expropriate the Property for the purpose of a maintenance and storage facility on the west end of Line 2 (Bloor-Danforth), to be constructed and maintained by the Toronto Transit Commission (TTC).</p> <p>On August 10, 2018, the City registered a plan of expropriation (Plan AT4932023) in the Land Titles Division of the Toronto Registry Office (No. 66) to expropriate the Property. The City has served the previous owner with statutory notice that it requires possession of the property on February 1, 2019.</p> <p>Prior to the expropriation, various premises at the Property were leased to the Tenants by the previous owner of the Property for a variety of industrial uses as outlined in Appendix "A" (collectively, the "Prior Leases"). As the Prior Leases have been extinguished by the expropriation, City staff have commenced negotiations with respect to new leases between the City, as landlord and the Tenants, as tenants which would be in effect until TTC is ready to construct a maintenance and storage facility for the Bloor-Danforth line. In order to allow the Tenants to continue to occupy the Property while these negotiations for the new leases proceed, it is recommended that the City enter into interim leases each for a term of 6 months, on many of the same terms as the Prior Leases. If the negotiations are unsuccessful, the Tenants will make arrangements to relocate at the end of the Term.</p>
Terms	See Appendix "A"

Property Details	Ward:	Ward 3 – Etobicoke-Lakeshore
	Assessment Roll No.:	n/a
	Approximate Area:	73 Acres approximately

A.	Deputy City Manager, 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/REOIs:</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 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/REOIs.</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 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 checked="" 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"/> (a) Where total compensation does not exceed \$5 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 \$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>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>Delegated to a less senior position.</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>

B. City Manager and Deputy Manager, Corporate Services each has signing authority on behalf of the City for:

- Documents required to implement matters for which he or she also has delegated approval authority.

Deputy City Manager, Corporate Services also has signing authority on behalf of the City for:

- 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:	Councillor Mark Grimes					Councillor:				
Contact Name:	Kim Edgar					Contact Name:				
Contacted by:	<input type="checkbox"/> Phone	<input checked="" type="checkbox"/> E-Mail	<input type="checkbox"/> Memo	<input type="checkbox"/> Other		Contacted by:	<input type="checkbox"/> Phone	<input type="checkbox"/> E-mail	<input type="checkbox"/> Memo	<input type="checkbox"/> Other
Comments:	Advised					Comments:				
Consultation with Divisions and/or Agencies										
Division:	TTC					Division:	Financial Planning			
Contact Name:	Pamela Kraft					Contact Name:	Mustufa Ghani			
Comments:	Concurs					Comments:	Concurs			
Legal Division Contact										
Contact Name:	Charlene Farrugia									

DAF Tracking No.: 2019- 057	Date	Signature
Recommended by: Manager, Real Estate Services	Mar. 4, 2019	Signed by Daran Somas
Recommended by: Director, Real Estate Services	Mar. 4, 2019	Signed by Nick Simos
<input type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services	Mar. 7, 2019	Signed by Josie Scioli
<input checked="" type="checkbox"/> Approved by: Josie Scioli		
<input type="checkbox"/> Approved by: City Manager Chris Murray		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, 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" – Major Terms & Conditions

Tenant	Leased Premises & Use	Gross Monthly Rent	Security Deposit	Insurance and Indemnity
Downtown Pallets Ltd.	14,498 ft ² warehouse and distribution of pallets	\$14,932.94 (February and March 2019) \$15,379.96 (April to July 2019)	\$14,932.94 Security deposit in this case is reduce by the amount to be applied to first month's rent	See Provision 1 below
Humberview Inc.	6.5 acres of land & 23,600 ft ² of warehousing and storage of cars	\$33,100.08	\$66,200.00	See Provision 2 below
Hansen's Releasing Company Inc.	22 acres of land for parking vehicles	\$112,497.88	\$224,995.68	See Provision 3 below
VNV Logistics Express Ltd. ("VNV Logistics")	1 acre of land & 5000 ft ² of building space for trailer storage and truck transportation services and office related uses	\$5,304.17 for the building space \$5,500.00 for 1 acres of land	\$13,269.54	See Provision 1 below
Bestway Cartage Limited	½ acre of land & 15,545 ft ² of building space for warehousing, distribution, truck parking and associated offices	\$16,011.35 for the building space \$2,832.50 for the ½ acre of land	\$40,502.16	See Provision 1 below
TFI Transport 2 L.P. by its general partner, Transforce Administration Inc.	10 acres of land & 5000 ft ² of building space for storage, parking and the movement of shipping containers and trailers, as well as a light maintenance shop, a DEF station and office activities	\$50,253.10	\$108,697.40	See Provision 4 below
Sokil Trucking Inc.	4000 ft ² of building space for warehousing, storage, distribution and office related uses	\$4,243.33	\$4,520.00	See Provision 1 below
2320959 Ontario Inc.	7,605 ft ² of building space for warehousing, distribution and office related services	\$8,485.91	\$14,614.17	See Provision 1 below
2311395 Ontario Inc.	5,220 ft ² of building space for warehouse, storage and distribution facilities	\$5,537.55	\$5,898.60	See Provision 1 below

Appendix "A" con't

Term – 6 months commencing February 1, 2019 and expiring on July 31, 2019

Landlord's Relocation Right – In all of the Prior Leases, with the exception of the lease with Downtown Pallets Ltd., the landlord has the right on not less than 60 days' notice to the tenant, to relocate the premises to other premises within the development having approximately the same area as the premises. If the landlord relocates the tenant, the landlord shall deliver the relocated premises to a standard which exists in the existing premises at the time of relocation and shall reimburse the tenant for reasonable direct costs resulting from such relocation.

Assignment to Related Corporation - In certain circumstances, VNV Logistics has the right to assign its lease to a "Related Corporation," being an affiliate, holding body corporate or subsidiary corporation of the tenant as such terms are defined in the Business Corporations Act (Ontario), provided that: (a) tenant is not and has not been in default; and (b) tenant delivers to landlord a statutory declaration of a senior officer of tenant confirming that the proposed assignee or subtenant is a Related Corporation.

The insurance and indemnity provisions under the Prior Leases are as follows:

Provision 1

Tenant's Insurance – Tenant agrees to take out and maintain (at the Tenant's expense) throughout the term and any renewal or extension thereof, commercial general liability and excess liability insurance, including bodily injury, property damage and personal injury liability, Tenant's legal liability, contractual liability and owners' and contractors' protective insurance coverage with respect to the premises and the site and the Tenant's use of the premises. Such policies of insurance shall name the Landlord as additional insured and shall contain a cross-liability or severability of interest clauses. Such policies shall be written on a comprehensive basis with inclusive limit of not less than \$5,000,000.00 for bodily injury to any one or more persons or property damage. The Tenants shall, upon request, provide certificates of insurance to the Landlord evidencing the insurance coverage required to be maintained by the Tenant.

Tenant's Indemnity – Tenant shall indemnify Landlord and save it harmless from all losses, liabilities, damages, claims, demands and actions of any kind or nature which Landlord shall or may become liable for or suffer by reason of any breach, violation or non-performance by Tenants of any covenant, term or provision of the Lease and, subject to the Landlord's Release of the Tenant, against any and all losses, liabilities, damages, claims, demands, actions and expenses in connection with loss of life, personal injury or damage to property arising from any occurrence on the Property or arising from the occupancy or use by the Tenants of the Property.

Landlord's Release - Landlord releases Tenant from any liability or claim that may be made by Landlord against Tenant under the provisions of the Lease with respect to such loss to the extent of the lesser of: (a) the amount, if any, by which such loss exceeds the amount of insurance Tenant is required to maintain under the terms of the Lease or actually maintains, whichever is greater; and (b) the proceeds actually paid to Landlord with respect to such loss under the policies of insurance maintained by Landlord pursuant to the Lease or which would have been paid if Landlord had maintained the insurance required under the Lease and had diligently processed any claims thereunder.

Tenant's Release - Tenant releases Landlord from all losses, damages and claims of any kind in respect of which Tenant is required to maintain insurance or is otherwise insured, and: (a) any death or injury arising from or out of any occurrence in, upon, at or relating to the leased premises or the development; (b) any loss or damage to any property resulting from fire, explosion, steam, water, mould, rain, snow or gas; (c) any loss or damage caused as a result of any damage, destruction, construction, alteration, expansion, expropriation, reduction, repair or reconstruction from time to time of the Property; (d) any loss or damage caused by or attributable to the condition or arrangement of any electric or other wiring; (e) any loss or damage arising from any failure, interruption, slowdown or stoppage of any utilities, including without limitation any failure or interruptions of any telecommunications, fibre optic or other information technology facility utilized by Tenant, any HVAC facility or equipment, any service or any other base building system; (f) any damage caused by anything done or omitted to be done by any other tenant or occupant; (g) any claim or demand in connection with any injury, loss or damage to Tenant or its property where such injury, loss or damage arises out of the security services in force or the lack thereof; (h) any loss, damage or injury caused by or attributable to Landlord entering the leased premises to carry out inspections, maintenance services, repairs, alterations or improvements; and (i) in any event, any indirect or consequential damages suffered by Tenant, including without limitation, loss of profit.

Provision 2**Tenant's Insurance** – Same as Provision 1

Landlord's Insurance - Landlord agrees to insure the building and the machinery, boilers and equipment therein owned by the landlord (specifically excluding any property the tenant is obliged to ensure) against "All Risks" of loss in such reasonable amounts as would be carried by a prudent owner of a comparable building in the municipality. Landlord shall also carry commercial general liability insurance covering third party bodily injury and property damage with respect to the operation of the building, and may carry rental insurance and environmental insurance and any other forms of insurance as it or the mortgagee may reasonably determine to be advisable from time to time. Tenant shall not have any insurable or other interest in any of Landlord's insurance other than the rights, if any expressly set forth in the lease, and, in any event, tenant shall not have any interest in, nor any right to recover any proceeds under any of the landlord's insurance policies.

Landlord's Release – Same as Provision 1**Tenant's Release** - Same as Provision 1**Provision 3****Tenant's Insurance** – Same as Provision 1

Tenant's Indemnity – Tenant shall indemnify and save harmless the landlord, its respective directors, officers, agents, employees, invitees and representatives against any and all losses, liabilities, damages, expenses, claims, suits, costs and demands, including all reasonable legal fees and disbursements, arising from: (i) any breach by the tenant of any of the provisions of the lease; or (ii) any wilful act, omission or negligence of the tenant, or those for whom the tenant is in law responsible.

Landlord's Indemnity - The landlord shall indemnify and save harmless the tenant, its respective directors, officers, agents, employees, invitees and representatives against any and all losses, liabilities, damages, expenses, claims, suits, costs and demands, including all reasonable legal fees and disbursements, arising from (i) any breach by the landlord of the provisions of the lease; or (ii) any wilful act, omission or negligence of the landlord, or for whom the landlord is in law responsible.

Tenant's Release – Except for negligence or wilful act by the landlord or its agents or those for whom the landlord is responsible in law, the landlord shall not be liable or responsible in any way for: (a) any personal or consequential injury of any nature whatsoever, that may be suffered or sustained by the tenant or any employee, agent, invitee, licensee, or customer of the licensee or any other person who may be in or upon the development or leased premises; (b) any loss or damage whatsoever, of or to any property belonging to the tenant or to its employees or to any other person while such property is in or on the development or leased premises; or (c) any loss, damage or injury, whether direct or indirect, to persons or property or loss of income or revenue resulting from any failure, howsoever caused, in the supply of services or facilities provided or to be provided or repairs made or to be made to the premises or the building under any of the provisions of the lease or otherwise.

Provision 4:**Tenant's Insurance** – Same as Provision 1

Landlord's Insurance – In addition to any other insurance that the landlord may consider prudent and appropriate, the landlord shall take out and maintain "all-risk" property insurance with sufficient coverage amounts to compensate the landlord for the full replacement value of the development and all components, systems, improvements, equipment on the development for which the landlord is responsible for under the lease, the whole without any deduction for depreciation. All such insurance policies of the landlord shall contain an express waiver of the landlord's insurer's subrogation rights against the tenant where applicable. It is the intention of the insurance provisions under the lease that the parties shall not be liable towards one another for any insured risks. The parties waive and renounce any and all claims either may have against the other for consequential, or indirect losses of any kind for any indirect risk, as well as any deductible(s) that may be payable to an insurer in connection with same.

Landlord's Indemnity - Same as Provision 3**Tenant's Indemnity** - Same as Provision 3**Tenant's Release** - Same as Provision 3

Appendix "B" Location Map

