

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

TRACKING NO.: 2019-103

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:	Rossanna Marcossian / Van Hua	Division:	Toronto Transit Commission
Date Prepared:	April 4, 2019	Phone No.:	(647) 458-0951

Purpose To obtain authority for the City of Toronto (the "**City**") to enter into an offer to lease ("the "**Offer**") followed by a lease agreement (the "**Lease**") on behalf of the Toronto Transit Commission (the "**TTC**") with The Great-West Life Assurance Company, by its agent, GWL Realty Advisors Inc. (the "**Landlord**"), for a rentable area of approximately 24,441 square feet of office space at the property municipally known as 5140 Yonge Street.

Property 5140 Yonge St, Toronto (the "**Building**") as shown in Appendix "A". The premises to be leased is suite 900 (the "**Premises**") as shown in Appendix "B".

- Actions**
1. Authority to be granted to the City to enter into an Offer to Lease and then the Lease with the Landlord for the Premises on the terms and conditions outlined in Appendix "C" attached hereto and on such other or amended terms as may be satisfactory to the Deputy City Manager, Corporate Services and in a form acceptable to the City Solicitor.
 2. The Deputy City Manager, Corporate Services or her successor or designate, shall administer and manage the Lease including provision of any consents, certificates, approvals, waivers, notices and notices or termination, provided that the Deputy City Manager, Corporate Services may at any time refer consideration of such matters to City Council for its determination and direction.
 3. The appropriate City staff be authorized and directed to take the necessary action to give effect thereto.

Financial Impact The total expenditure to the TTC for the six (6) year term inclusive of basic rent, operating costs and utilities is estimated for years 1-4 at \$883,542.00 per annum (plus HST) and for years 5-6 at \$951,389.00 per annum (plus HST). The increases in operating costs and utilities will be reviewed and adjusted annually with statements provided to the TTC from the Landlord. The estimated capital expenditure for leasehold improvements is \$302,000.00 (plus HST). If the option to extend for four (4) years is exercised, the total cost over the ten (10) year term plus the cost of the leasehold improvements is approximately \$9,760,997.00 (plus HST).
Funding is available in TTC's 2019 Approved Operating Budget for new operating office space. Funding is available in TTC's Approved 2019-2028 Capital Budget & Plan for the Vehicle Programs component of the lease, within capital account CTT122. Sufficient funding will be included in future year operating and capital budget submissions for TTC.
The Chief Financial Officer & Treasurer has reviewed this DAF and agrees with the financial impact information.

Comments There is currently no vacancy within the existing inventory of leased or owned office space within either TTC's or City's portfolio to accommodate the office space needs described below. The location on the 9th floor of the Building is advantageous because it is in proximity to many other TTC offices within the North York Centre complex, is on the subway line and requires minimal leasehold improvements when compared to other locations. The office area will be reconfigured to accommodate City of Toronto office space standards and will provide 17 offices, 117 workstations, 16 touchdown spaces, 4 meeting rooms, central lockers and mobile filing. There is currently a lunch room in the existing space that is ready for use by all TTC staff. This is a unique facility that is not currently available in other floors of the Building or 5160 Yonge St.

The Vehicle Programs department will be undergoing significant expansion within the next year and as such requires permanent accommodation for additional staff. Currently, this department is temporarily located at 250 Bloor St. E. and occupying workstations allocated to Human Resources Department which will also be undergoing an expansion.

The Portfolio Management Office is currently at 5160 Yonge St., 11th Floor. This group must be relocated to accommodate the Yonge Subway and Relief Line South expansion project teams. Similarly, Materials and Procurement is consolidating internal functions, requiring the relocation of staff from the Building and Duncan Building to a new location.

The office space on the 9th floor of the Building is ideally suited to accommodate these groups as well as compliment the significant TTC presence currently occupied at North York Centre in both the Building and 5160 Yonge Street.

Terms Please see Appendix "C".

Property Details	Ward:	18 - Willowdale
	Assessment Roll No.:	
	Approximate Size:	N/A
	Approximate Area:	2,271 m ² ± (24,441 ft ² ±)
	Other Information:	

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 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 checked="" 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.

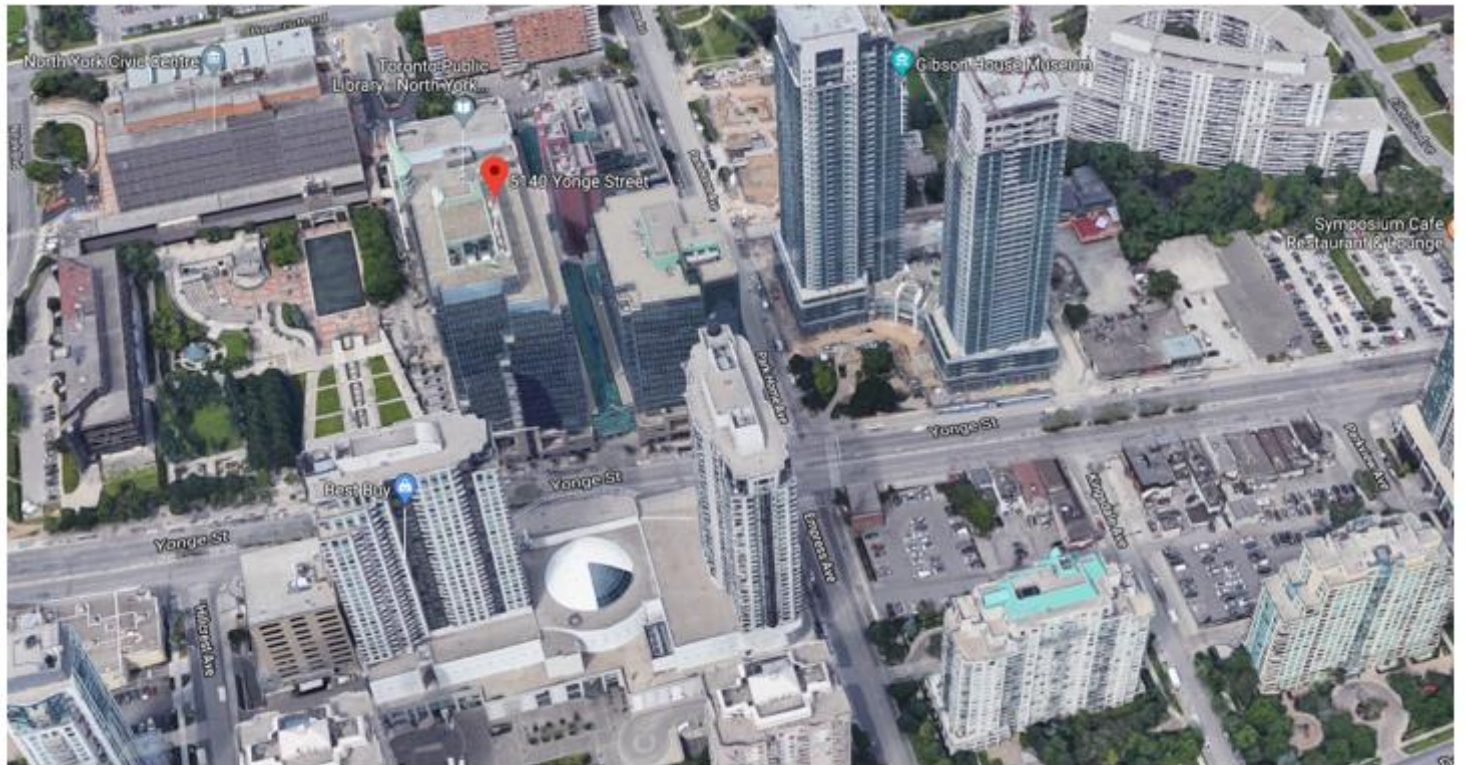
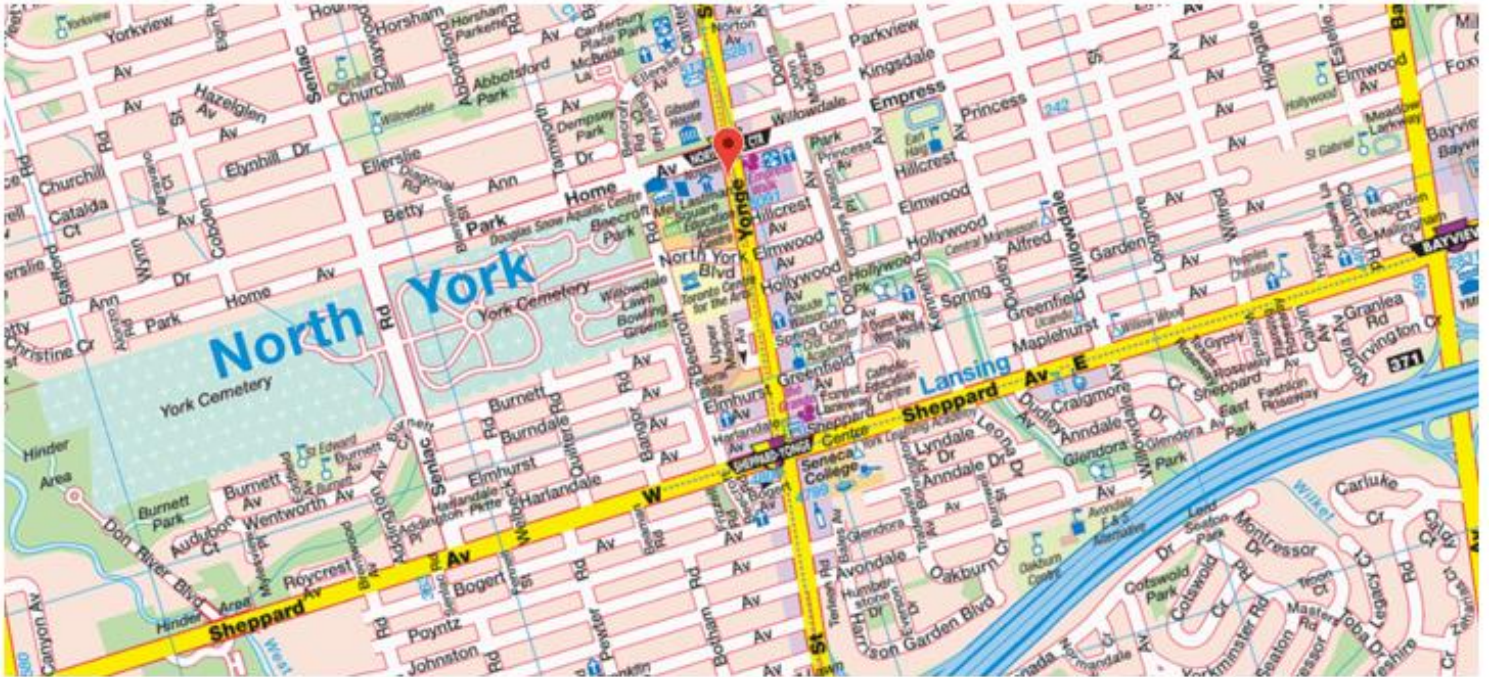
Consultation with Councillor(s)															
Councillor:	John Filion				Councillor:										
Contact Name:					Contact Name:										
Contacted by:	Phone	x	E-Mail		Memo		Other	Contacted by:	Phone		E-mail		Memo		Other
Comments:	No comments – 3.29.2019				Comments:										
Consultation with Divisions and/or Agencies															
Division:	Toronto Transit Commission				Division:	Financial Planning									
Contact Name:	Vincenza Guzzo				Contact Name:	Lauren Birch									
Comments:	Consent – 3.6.2019				Comments:	No issues – 4.3.2019									
Legal Division Contact															
Contact Name:	Dale Mellor														

DAF Tracking No.: 2019 - 103	Date	Signature
Recommended by: Manager, Real Estate Services, Daran Somas	April 5, 2019	Signed by Daran Somas
Recommended by: Director, Real Estate Services, Nick Simos	April 5, 2019	Signed by Nick Simos
<input checked="" type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services, Josie Scioli (Rob Meikle in her absence)	April 11, 2019	Signed by Rob Meikle
<input checked="" type="checkbox"/> Approved by: City Manager Chris Murray	April 17, 2019	Signed by Chris Murray

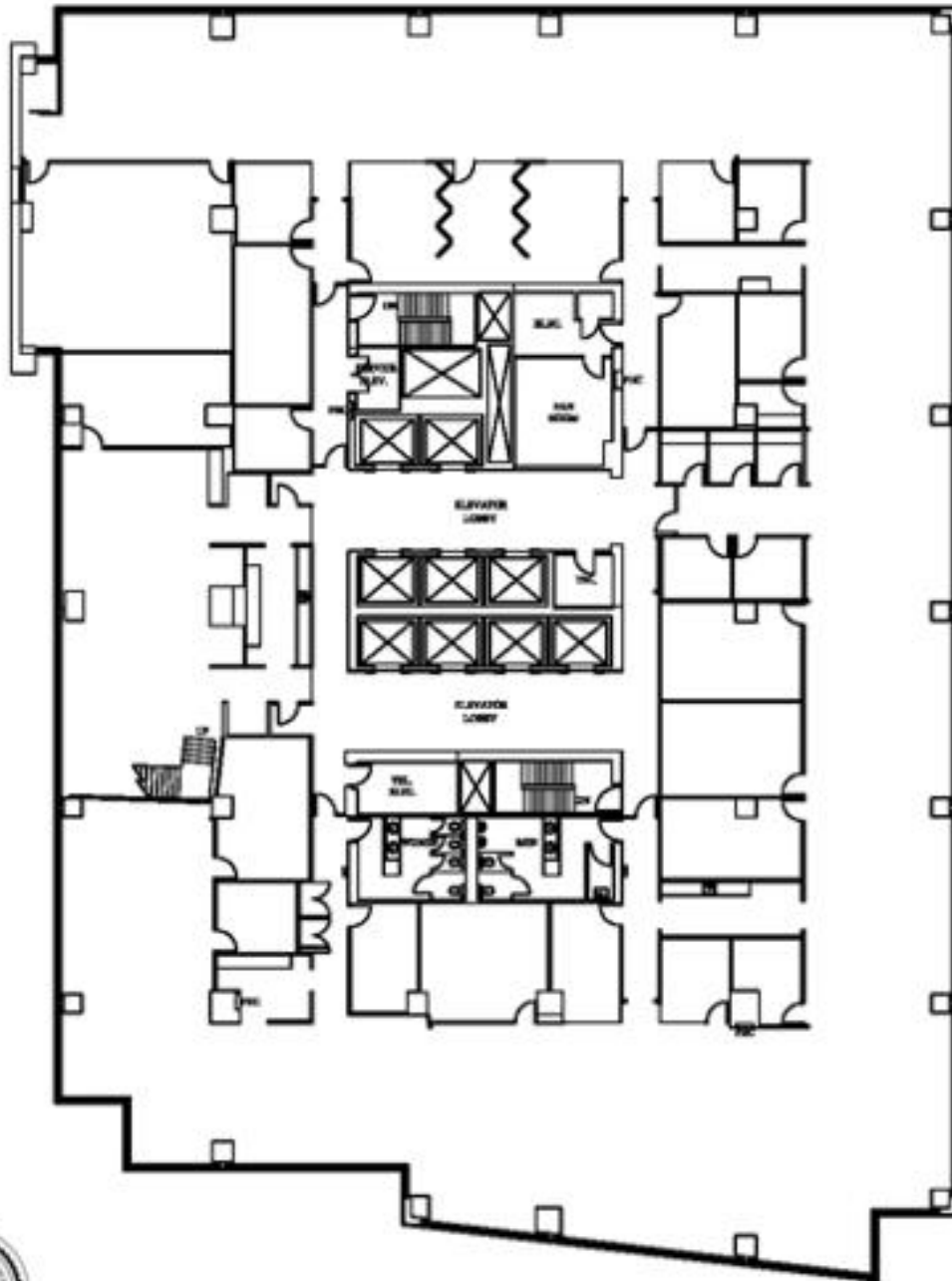
General Conditions ("GC")

- (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, 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"
LOCATION MAP – PROPERTY
5140 Yonge Street, Toronto



APPENDIX "B"
PREMISES



THIS IS TO CERTIFY THE AREA SHOWN ON THIS PLAN WAS DETERMINED FROM THE 2-D MEASUREMENT, AND FURTHER THAT THE AREA SHOWN IS COMPLIANT WITH ROMA STANDARD ANSI/ASCE 1-196

SUITE 900
24,441 SQ.FT. (RENTABLE)

APPENDIX "C"
MAJOR TERMS AND CONDITIONS

Landlord:	The Great-West Life Assurance Company	
Tenant:	City of Toronto	
Leased Premises:	5140 Yonge Street, Suite 900, Toronto. Approximately 24,441 square feet.	
Lease Term:	Six (6) years	
Commencement Date:	November 1, 2019	
Fixturing Period:	October 1, 2019	
Use:	General Business Offices	
Basic Rent:	Years 1-4: \$22.00 per square foot of Rentable Area per annum Years 5-6: \$23.00 per square foot of Rentable Area per annum	
Additional Rent:	Operating Costs	\$12.65 per square foot of Rentable Area
	Property Taxes	\$6.93 per square foot of Rentable Area
	Premises Utilities	\$1.50 per square foot of Rentable Area
Option to Extend:	One (1) term of four (4) years (the " Extension Term ")	
Municipal Capital Facility Agreement:	Section 9 of the Offer to Lease - Where City Council has exempted the Premises from tax through the MCF process, the Landlord shall enter into the necessary municipal capital facility agreement with the City and shall pass the full benefit of such exemption on to the City during the entire period of any such exemption.	
TTC as City Agent:	At the discretion of the City, the TTC as an agent of the Tenant, can undertake and fulfill any obligation, covenant or requirement of the City arising in respect of this Lease, subject to certain limitations.	
Release & Indemnity:	It is acknowledged by the Landlord and the City that where the City agrees, on a clause by clause basis, to release or indemnify the Landlord in the Lease, such release or indemnity shall not include any losses, damages and/or claims to the extent caused by the willful misconduct or negligence of the Landlord or those for whom the Landlord is in law responsible. In addition, neither party shall be liable to the other for any indirect or consequential losses, damages and/or claims.	