

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

TRACKING NO.: 2018-181

Confidential Attachment

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:	Daran Somas	Division:	Real Estate Services
Date Prepared:	May 7, 2018	Phone No.:	(416) 397-7671

Purpose	To obtain authority for The Board of Governors of Exhibition Place (the "Board") to enter into a lease amending agreement with 16730801 Ontario Ltd. (the "Tenant") with respect to the Lease (as defined below) of the Queen Elizabeth Theatre (the "QET") at the property municipally know as 190 Princes' Blvd (the " Property"). The proposed amendments relate to approving the necessary renovations to increase the maximum capacity of the QET.
Property	Lands know municipally as 190 Princes' Blvd. (as referenced in Appendix B)
Actions	<ol style="list-style-type: none"> 1. Authority to be granted for The Board of Governors of Exhibition Place to enter into a lease amending agreement with 16730801 Ontario Ltd substantially on the terms and conditions as set out on page 4 and in Confidential Attachment 1, and such other terms and conditions as may be satisfactory to the Deputy City Manager, Internal Corporate Services and the CEO of the Board and in a form acceptable to the City Solicitor. 2. The appropriate City and Board staff be authorized and directed to take the necessary action to give effect thereto. 3. Confidential Attachment 1 remain confidential in its entirety as it relates to the security of the property of the City or a local board.
Financial Impact	<p>For Financial Impact see Confidential Attachment 1</p> <p>Actual expenses and revenues associated with the Lease will be reported through the Board of Governors of Exhibition Place variance reports, and if required, related budgets will be subsequently adjusted through the annual Budget Process.</p> <p>The Interim Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>The Board and 16730801 Ontario Ltd. (the "Tenant") entered into a lease of the QET dated March 6, 2008, as amended by a Lease Amending Agreement dated May 1, 2010 (collectively, the "Lease") which expires on April 30, 2020. Since the Tenant took possession of the QET, the Tenant has undertaken several investments / renovations in the leased premises. However, the Tenant has also met with Exhibition Place staff on several occasions over the years to discuss the possible renovation and expansion of the capacity of the QET. Recently, the Tenant proceeded to complete engineering drawings for these renovations and has presented them to Exhibition Place staff for review. The existing capacity of the QET is 2157 with 1300 theatre seating and the renovations proposed by the Tenant would increase the maximum capacity to 3047. At present, Toronto has a lack of live concert venues that fulfill this particular capacity niche and with the closing of Massey Hall for major renovations over the next three years, the need will grow. Appendix A describes the proposed renovations.</p>
Terms	<p>See Page 4 and Confidential Attachment 1 for terms of lease amending agreement.</p> <p>Reasons for Confidential Information: Confidential Attachment 1 relates to the security of the property of the City or a local board.</p>

Property Details	Ward:	19 – Trinity Spadina
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	
	Other Information:	

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 & 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/REOs.</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"/> 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>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><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>

<p>B. City Manager and Deputy Manager, Internal Corporate Services each has signing authority on behalf of the City for:</p> <ul style="list-style-type: none"> • Documents required to implement matters for which he or she also has delegated approval authority.
<p>Deputy City Manager, Internal Corporate Services also has signing authority on behalf of the City for:</p>
<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. • Expropriation Applications and Notices following Council approval of expropriation.

Consultation with Councillor(s)										
Councillor:	Councillor Mike Layton					Councillor:				
Contact Name:						Contact Name:				
Contacted by:	Phone	E-Mail	Memo	X	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:	Consent					Comments:				
Consultation with Divisions and/or Agencies										
Division:	The Board of Exhibition Place					Division:	Financial Planning			
Contact Name:	Dianne Young					Contact Name:	Patricia Libardo			
Comments:	Consent					Comments:	Consent			
Legal Division Contact										
Contact Name:	Jack Payne									

DAF Tracking No.: 2018-	Date	Signature
Recommended by: Manager, Real Estate Services, Tim Park	May/7/2018	Sgd.\ Tim Park
Recommended by: Director, Real Estate Services, David Jollimore	May/8/2018	Sgd.\ David Jollimore
<input type="checkbox"/> Recommended by: Deputy City Manager, Internal Corporate Services	May/8/2018	Sgd.\ Josie Scioli
<input checked="" type="checkbox"/> Approved by: Josie Scioli		
<input type="checkbox"/> Approved by: City Manager, Peter Wallace		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 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.

Terms and Conditions

Use of Property

The Lease is amended to permit the QET to be used as a standing room only general admission concert venue with a total capacity of no less than 3,047 persons; or a ticketed theatre with seating, with a seated capacity of approximately 1,200 persons. No event shall be allowed to have both a seating and standing room configuration.

Theatre Renovations:

The Board acknowledges the Tenant intends to make the improvements and alterations summarized in Appendix A (the "Proposed Renovations") and consents to the Proposed Renovations, subject to the Tenant complying with all relevant provisions of the Lease, as amended.

Confidential Attachment 1 contains further terms and conditions of the lease amending agreement.

Save as amended in this lease amending agreement, all terms and conditions of the Lease remain in full force and effect.

Appendix A Proposed Renovations

The Tenant is proposing the following renovations to the QET:

- Replace the fixed theatre (1300) seating with 1200 retractable theatre seating to allow the theatre to operate in two different modes.
 - Mode 1 would be as a standing room only general admission concert venue with a capacity of 3047.
 - Mode 2 would be as a ticketed theatre with a seated capacity of 1200.
 - The Theatre would only be allowed to operate in one of these two distinct modes at any one time. There would not be any events held that could have standing room as well as seated capacity.
- The addition / construction of two new balconies on the west and east side of the theatre with a standing capacity of 77 and 78 people respectively.
- Additional washrooms facilities that will increase capacity from 17 female and 15 male total washroom fixtures to 25 female and 27 male total washroom fixtures. In addition to this increase in fixtures, there will be 3 universal washrooms added.
- Upgrade the front lobby
- Refurbish the interior lobby artwork.

The proposed renovations would take the Theatre from a maximum capacity (all areas, foyer, stage, bar area, theatre) of 2157 to 3047. If approved, the estimated time frame for the renovations would be starting in January 2019 with a completion date in that year.

Appendix B Location Map



