

DELEGATED APPROVAL FORM
DIRECTOR, REAL ESTATE SERVICES
MANAGER, REAL ESTATE SERVICES

TRACKING NO.: 2019-184

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.

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| Prepared By: | Kathie Capizzano | Division: | Real Estate Services |
| Date Prepared: | June 19, 2019 | Phone No.: | 2-4825 |

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| Purpose | To enter into a License agreement with Menkes Waterfront Holdings Inc. ("Menkes") for a construction staging and hoarding area, on a portion of the future Queens Quay right of way, described as part of Block 10 Plan 66M-2476. |
| Property | Part of Block 10, being an area of approximately 194 square metres and shown highlighted on Schedule "B" (the "Licensed Lands") |
| Actions | <ol style="list-style-type: none"> The City enter into a License Agreement (the "License Agreement") with Menkes to allow a construction staging and hoarding area on the Licensed Lands, substantially on the terms and conditions outlined herein, and any other terms the Deputy City Manager, Corporate Services may deem appropriate, and in a form satisfactory to the City Solicitor; The Deputy City Manager, Corporate Services, or his/her designate, administer and manage the License Agreement including the provision of any consents, approvals, waivers, notices and notices of 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 |
| Financial Impact | <p>The City is to receive revenue in the amount of Thirteen Thousand, One Hundred and Ninety-Three Dollars (\$13,193.00) plus HST per month during the Term.</p> <p>The Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p> |
| Comments | <p>The City has entered into a Ground Lease with Menkes for Blocks 1 and 2 on Plan 66M-2476, upon which Menkes will be constructing a building known as the "Waterfront Innovation Centre (the "Development"). The Licensed Lands are part of the future Queens Quay right of way.</p> <p>Waterfront Toronto ("WT"), is the master developer of the East Bayfront, and is responsible for obtaining the Record of Site Conditions ("RSC") for all the properties in the East Bayfront. The RSC for this area of the future Queens Quay right of way has not been obtained yet and as such, cannot be dedicated as public highway. WT is expecting to have the RSC by the end of the year and immediately following WT intends to seek to have the future right of way lands dedicated as public highway. Any continued use by Menkes of the lands thereafter will be under the jurisdiction of Transportation Services Right of Way Management and any permit that may be issued by Transportation Services.</p> <p>Menkes requires access to the Licensed Lands for construction staging in July of this year and as such, has requested a licence with Real Estate, until such time as the future right of way is dedicated.</p> <p>As the Licensed Lands are located within the Designated Waterfront Area, Waterfront Secretariat has reviewed and approved this transaction.</p> |
| Terms | See Schedule "A" |

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| Property Details | Ward: | 10 – Spadina-Fort York |
| | Assessment Roll No.: | |
| | Approximate Size: | |
| | Approximate Area: | 194 square metres |
| | Other Information: | |

| A. | Manager, Real Estate Services has approval authority for: | Director, Real Estate Services 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 \$50,000.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding three (3) months, including licences for environmental assessments and/or testing, etc.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p> | <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 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>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 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 \$1 Million.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding six (6) months, including licences for environmental assessments and/or testing, etc.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$1 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 \$1 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/Caution</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> |

B. Director, Real Estate Services and Manager, Real Estate 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.
- Expropriation Applications and Notices following Council approval of expropriation (Manager, Transaction Services is only Manager with such signing authority).

Director, Real Estate 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.
- Community Space Tenancy Leases approved by delegated authority by Deputy City Manager, Corporate Services and any related documents.

| Consultation with Councillor(s) | | | | | | | | | |
|---|----------------------------------|-------------------------------------|--------|--|------|---------------|-------------------------|--|--|
| Councillor: | Joe Cressy | | | | | Councillor: | | | |
| Contact Name: | Tom Davidson | | | | | Contact Name: | | | |
| Contacted by: | Phone | <input checked="" type="checkbox"/> | E-Mail | | Memo | | Other | | |
| Comments: | No objections – June 27, 2019 | | | | | Comments: | | | |
| Consultation with Divisions and/or Agencies | | | | | | | | | |
| Division: | Waterfront Secretariat | | | | | Division: | Financial Planning | | |
| Contact Name: | Jayne Naiman | | | | | Contact Name: | Lauren Birch | | |
| Comments: | Concurs – June 27, 2019 | | | | | Comments: | Concurs – June 27, 2019 | | |
| Legal Division Contact | | | | | | | | | |
| Contact Name: | Kathleen Kennedy – June 27, 2019 | | | | | | | | |

| DAF Tracking No.: 2019- 184 | Date | Signature |
|---|--------------|-------------------------------|
| Concurred with by: Manager, Real Estate Services | | |
| <input checked="" type="checkbox"/> Recommended by: Acting Manager, Real Estate Services Melanie Hale-Carter | July 2, 2019 | Signed by Melanie Hale-Carter |
| <input type="checkbox"/> Approved by: | | |
| <input checked="" type="checkbox"/> Approved by: Acting Director, Real Estate Services Nick Simos | July 2, 2019 | Signed by Nick Simos |

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").

SCHEDULE "A"

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| Terms: | Licensor: | City of Toronto |
| | Licensee: | Menkes Waterfront Holdings Inc. |
| | Term: | Commence on July 15th, 2019 and terminate on the earlier of: <ul style="list-style-type: none"> (a) the dedication of the Licensed Lands as public highway; and (b) one (1) year from the date of this Agreement. |
| | Value: | \$13,193.00 per month plus HST payable on the first day of the month |
| | Area: | 148 square metres – Construction Staging 46 square metres – Overhead hoarding |
| | Use: | <ul style="list-style-type: none"> (a) Constructing overhead hoarding over the public sidewalk, provided that Menkes has obtained a hoarding permit from the City of Toronto Transportation Services in respect of the public highways surrounding the development and complied with all City of Toronto Transportation Services requirements in respect of the hoarding plan. (b) Laying and storing of only such construction-related materials, equipment and machinery and hoist way, that the City of Toronto Transportation Services has otherwise permitted in respect of the public highways surrounding the Development in connection with the construction of the Development, and for clarity, stock piling or storage of excavated materials or soils and personal vehicles are expressly prohibited on the Licensed Lands. |
| | Conditions: | <ul style="list-style-type: none"> (a) The Licensee shall be responsible for all operating costs arising from the permitted uses under this Agreement. (b) Environmental: <ul style="list-style-type: none"> (i) Menkes shall not cause or permit any Hazardous Material to be brought into, stored, kept or used in or about the Licensed Lands and/or the lands and premises adjoining or in the vicinity of the Licensed Lands or any part thereof, other than any Hazardous Material that is used in the ordinary course of the permitted use being carried on at the Licensed Lands and which is stored, kept and used in strict compliance with all Environmental Laws pertaining thereto; (ii) Menkes shall remove from the Licensed Lands and dispose of any soil excavated which contains Hazardous Material in accordance with all applicable Environmental Laws; and (iii) Within the six (6) month period prior to the expiry of the Term, Menkes shall provide to the City, at their sole cost, an independent environmental audit or assessment report. Should the Exit Report reveal the presence of any Hazardous Materials, beyond those permitted by Environmental Laws, in, on or under the Licensed Lands that were not identified in the Pre-Existing Environmental Condition (being the condition described in the Phase II ESA dated March 28, 2016), Menkes shall complete all remediation required on or before the end of the Term to achieve the standards required by Environmental Laws at that time. |

SCHEDULE "B"

