

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

**TRACKING NO.: 2019-281**

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.

<b>Prepared By:</b>	Rutvik Pandya	<b>Division:</b>	Real Estate Services
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<b>Date Prepared:</b>	September 19 2019	<b>Phone No.:</b>	416-338-5812
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**Purpose** To obtain authority to enter into a four (4) year lease agreement (the "Agreement") with Fife Farms Ltd. (the "Tenant") to lease the City-owned properties located in Middlesex and Southwold Townships, Ontario.

**Property (See Appendix A)**

1. 11367 Parsons Road, Township of Southwold, Ontario (88 acres)  
PT S1/2 LT 22 CON 3 SOUTHWOLD; PT LT 23 CON 3 SOUTHWOLD AS IN E329874; SOUTHWOLD
2. 7263 Bells Road, Middlesex Centre Township/Delaware, Ontario (77 acres)  
EAST 1/2 LT 24 CON 2, EXCEPT PT 1 PL 33R-13075; MIDDLESEX CENTRE TWP/DELAWARE
3. 9474 Southminster Bourne, Middlesex Centre Township/Delaware, Ontario (3.5 acres)  
PT LT 24 CON 4, PT 3 34R863 MIDDLESEX CENTRE TWP/DELAWARE
4. 38070 Fourth Line, Township of Southwold, Ontario (21 acres)  
PT LT 20 CON 3 SOUTHWOLD AS IN E382093 S/T E382093; SOUTHWOLD
5. 11919 Mill Road, Township of Southwold, Ontario (37 acres)  
PT LT 1 CON 2 SOUTHWOLD AS IN E202256; SOUTHWOLD
6. 11570 Mill Road, Township of Southwold, Ontario (20 acres)  
PT N1/2 LT 18 CON 3 SOUTHWOLD PT 14 11R971; SOUTHWOLD  
(the "Property")

**Actions** It is recommended that:

1. Authority be granted to enter into the Agreement with the Tenant, commencing on January 1, 2019 and ending December 31, 2022, and subject to the terms and conditions set out below and in a form acceptable to the City Solicitor.

**Financial Impact** The total revenue to the City is \$177,480.00 (plus HST) for the four (4) year term of the lease agreement.

The tenant shall pay \$180 per acre (plus HST) or \$44,370.00 (plus HST) per annum for 246.5 acres of rented farmland, payable in two instalments per year. The first instalment will be paid on April 1<sup>st</sup> of each year, in the amount of 25% of the annual Basic Rent, and the second instalment to be paid on November 30<sup>th</sup> of each year, in the amount of 75% of the annual Basic Rent.

The Chief Financial Officer & Treasurer has reviewed this DAF and agrees with the financial impact information.

**Comments** Compass Commercial Realty LP manages the leases of City-owned Green Lane properties on behalf of the City of Toronto.

The subject property is approximately 246.5 acres of land located in Middlesex and Southwold Townships. A credit check on the Tenant was conducted and was deemed to be satisfactory. Real Estate Services staff have reviewed the rent and other terms and conditions of the Agreement and are satisfied that they are fair, reasonable and reflective of market value.

**Terms** See page 7

<b>Property Details</b>	<b>Ward:</b>	00 – Outside City
	<b>Assessment Roll No.:</b>	
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	246.5 acres
	<b>Other Information:</b>	

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
2. Expropriations:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.
3. Issuance of RFPs/REOIs:	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> Issuance of RFPs/REOIs.
4. Permanent Highway Closures:	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.
5. Transfer of Operational Management to Divisions and Agencies:	<b>Delegated to a more senior position.</b>	<b>Delegated to a more senior position.</b>
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.
9. Leases/Licences (City as Landlord/Licensor):	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.	<input checked="" type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$1 Million.
	<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.	<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.
	<b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b>	<b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b>
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million.
	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
13. Revisions to Council Decisions in Real Estate Matters:	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).
14. Miscellaneous:	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences
		<input type="checkbox"/> (b) Releases/Discharges
		<input type="checkbox"/> (c) Surrenders/Abandonments
		<input type="checkbox"/> (d) Enforcements/Terminations
		<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates
		<input type="checkbox"/> (f) Objections/Waivers/Caution
		<input type="checkbox"/> (g) Notices of Lease and Sublease
		<input type="checkbox"/> (h) Consent to regulatory applications by City, as owner
		<input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title
		<input type="checkbox"/> (j) Documentation relating to Land Titles applications
		<input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds

**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, Acquisitions & Expropriations 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, Internal Corporal Services and any related documents.

Consultation with Councillor(s)										
Councillor:	N/A – Outside City					Councillor:				
Contact Name:						Contact Name:				
Contacted by:	Phone	E-Mail	Memo	Other		Contacted by:	Phone	E-mail	Memo	Other
Comments:						Comments:				
Consultation with Divisions and/or Agencies										
Division:						Division:	Financial Planning			
Contact Name:						Contact Name:	Filisha Jenkins			
Comments:						Comments:	Concurred (September 24, 2019)			
Legal Division Contact										
Contact Name:	Gloria Lee (Comments incorporated – )									



DAF Tracking No.: 2019-281	Date	Signature
Concurred with by:		
<input type="checkbox"/> Recommended by: <b>Manager, Real Estate Services</b> <input type="checkbox"/> Approved by: <b>Alex Schuler</b>	<b>Sept. 30, 2019</b>	Signed by Alex Schuler
<input type="checkbox"/> Approved by: <b>Acting Director, Real Estate Services</b> <b>Nick Simos</b>	<b>Oct. 1, 2019</b>	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, 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 50M<sup>2</sup> 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**

Address	Legal Description	Acreage
<p>1. 11367 Parsons Road</p>	<p>PT S1/2 LT 22 CON 3 SOUTHWOLD; PT LT 23 CON 3 SOUTHWOLD AS IN E329874; SOUTHWOLD (PIN: 35158-0135)</p> 	<p>88</p>
<p>2. 7263 Bells Road</p>	<p>EAST 1/2 LT 24 CON 2, EXCEPT PT 1 PL 33R-13075; MIDDLESEX CENTRE TWP/DELAWARE (PIN: 09719-0080)</p>	<p>77</p>
		

<p><b>3.</b> 9474 <u>Southminster</u> Bourne</p>	<p>PT LT 24 CON 4, PT 3 34R863 MIDDLESEX CENTRE TWP/DELAWARE (PIN: 09719-0062)</p> 	<p>3.5</p>
<p><b>4.</b> 38070 Fourth Line</p>	<p>PT LT 20 CON 3 SOUTHWOLD AS IN E382093 S/T E382093; SOUTHWOLD (PIN: 35158-0126)</p> 	<p>21</p>

<p><b>5.</b> 11919 Mill Road</p>	<p>PT LT 1 CON 2 SOUTHWOLD AS IN E202256; SOUTHWOLD (PIN: 35146-0163)</p> 	<p>37</p>
<p><b>6.</b> 11570 Mill Road</p>	<p>PT N1/2 LT 18 CON 3 SOUTHWOLD PT 14 11R971; SOUTHWOLD (PIN: 35158-0116)</p>	<p>20</p>
		

**Appendix "B"**  
**Major Terms and Conditions**

<b>Basic Rent:</b>	\$44,370.00 per annum, based on a rate of \$180 per acre of farm land, payable in two (2) instalments on April 1 <sup>st</sup> and November 30 <sup>th</sup> of each year.
<b>Additional Rent:</b>	The Tenant is responsible to pay the relevant taxes and any other payments required to be paid by the Tenant under the Agreement.
<b>Realty Taxes:</b>	The City is responsible for the payment of realty taxes for the Property unless the Tenant fails to sign the City's application for property tax reduction under the Farm Property Class Tax Rate Program upon request, in which case the Tenant is responsible for the difference in realty taxes resulting from ineligibility of the Property for such property tax reduction.
<b>Area of Premises:</b>	246.5 Acres
<b>Term:</b>	Four (4) years (Jan 1, 2019 – Dec 31, 2022).
<b>Use:</b>	Agricultural purposes, using generally accepted good farming practices.
<b>Net Rent Free Period:</b>	N/A
<b>Landlord's Work:</b>	N/A
<b>Deposit:</b>	N/A
<b>Option to Renew:</b>	N/A
<b>Termination Clause:</b>	The City can terminate the Lease Agreement on the later of: 1) ninety (90) days' after the written notice is given; and 2) the day the current growing season ends.
<b>Insurance:</b>	The Tenant is to maintain full replacement cost all-risks property insurance; farm general liability insurance in the amount of at least \$2,000,000.00 per occurrence; and limited pollution liability insurance in the amount of at least \$1,000,000.00 per occurrence.
<b>Late Payment Charges:</b>	1.25% per month or 15% per annum.