

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

TRACKING NO.: 2019-298

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:	Ishan Dasgupta	Division:	Real Estate Services
Date Prepared:	October 21, 2019	Phone No.:	416-392-7165

Purpose	To obtain authority as follows: a) Enter into a Limiting Distance Agreement with the registered owner of 350-370-390 Queens Quay West, Coal Harbour Properties Ltd., in its capacity as General Partner (the "Developer"), to facilitate the redevelopment of the 350-370-390 Queens Quay (the "Developer Lands"); and b) Release an existing easement on the Development Lands in favour of the City registered as C890900 (the "Sculpture Easement"), to facilitate the redevelopment.
Property	The Limiting Distance Agreement will be registered on title to the Developer Lands, and on the City Lands known as the Peter Street Basin located at 370 Queens Quay. The Limiting Distance Lands are described as Part 2 on registered plan 66R-30950 (attached as Appendix B).
Actions	<ol style="list-style-type: none"> 1. Authority be granted to enter into the Limiting Distance Agreement and the easement release (collectively the "LDA") with the Developer substantially on the terms and conditions set out below, with such revisions thereto as may be determined by the Acting Director of Real Estate Services, and in a form acceptable to the City Solicitor. 2. Authority be granted to the City Solicitor to oversee the registration of the LDA on title of the Limiting Distance Lands ("LDL") and the Developer Lands; 3. The Acting Director of Real Estate Services or his designate shall administer and manage the LDA, including the provision of any consents, approvals, amendments, waivers, notices and notice of termination provided that the Acting Director may, at any time, refer consideration of such matters (including their consent) to City Council for its determination and direction; and 4. The appropriate City officials be authorized and directed to take the necessary action to give effect thereto;
Financial Impact	<p>The City will receive compensation from the LDA in the amount of \$492,000.00 (plus HST), payable to the City upon the Developers execution of the LDA. These funds will be contributed to the Land Acquisition Reserve Fund (XR1012). All associated registration costs and land transfer tax costs will also be borne by the Developer.</p> <p>The Chief Financial Officer & Treasurer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>The Developer Lands are currently occupied by two existing 21-storey residential and commercial towers joined by a 3-storey podium. The Developer plans to replace the podium with a new 20-storey high-rise residential tower. City Planning has accepted the proposal, and the LDA is required to permit the development.</p> <p>The Peter Street Basin is a City-owned boardwalk property operated as a park, animated by a large sculpture at the north end, park benches and seasonal planters. The LDL impacted by the LDA are 525 sq. m. (5,651 sq. ft.) at the north part of the Peter Street Basin promenade, designated as Part 2 on Plan 66R-30950, attached as Appendix B. By entering into the LDA, the City is prohibited from constructing any building on the LDL, as defined in the Building Code.</p> <p><i>See "Comments" continued on page 4</i></p>
Terms	See "Schedule A"

Property Details	Ward:	Ward 10 – Spadina-Fort York
	Assessment Roll No.:	1904-0620-2106-400
	Approximate Size:	
	Approximate Area:	1,072 sq. m (11,543 sq. ft.)
	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 checked="" 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><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:	Joe Cressy				Councillor:					
Contact Name:	Brent Gilliard				Contact Name:					
Contacted by:	Phone	X	E-Mail	Memo	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:	No objections (10/18/2019)				Comments:					
Consultation with Divisions and/or Agencies										
Division:	Parks Forestry and Recreation / Waterfront Secretariat				Division:	Financial Planning				
Contact Name:	Andrea Bake / David Stonehouse				Contact Name:	Filisha Jenkins				
Comments:	Concurs (10/10/2019) / (10/09/2019)				Comments:	Concurs (10/11/2019)				
Legal Division Contact										
Contact Name:	Vanessa Bacher – Comments incorporated (10/10/2019)									

DAF Tracking No.: 2019-298	Date	Signature
Recommended by: Melanie Hale-Carter, Acting Manager, Real Estate Services	Oct. 22, 2019	Signed by Melanie Hale-Carter
Recommended by: Nick Simos, Acting Director, Real Estate Services	Oct. 24, 2019	Signed by Nick Simos
<input type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services <input type="checkbox"/> Approved by: Josie Scioli	Oct. 29, 2019	Signed 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").

Comments continued:

As a part of the compensation for this transaction, the Developer will release an easement currently encumbering City land east of the Developer's Land, which serves as an extra-wide driveway to the site. The Developer no longer requires the easement, and its release will allow the City to build a new park, to be known as the Rees Street Park. The area over which the Developer is to release the easement is 158 sq. m (1,701 sq. ft.) designated as Part 4 on Plan 66R-30950.

The second component of this transaction involves an easement in favour of the City over part of the Developer Lands to provide pedestrian access around and power and water supply to the sculpture (the "Sculpture Easement") located at the north end of the Peter Street basin. The sculpture was installed in 1986 and is titled "Learn to throw your Voice!" by renowned Toronto artist Bernie Miller. The Sculpture Easement applies over an area of 71 sq. m. (764 sq. ft.) designated as Part 1 on Plan 66R-30950. To redevelop the site, the Developer requires the City to release this easement.

In consultation with Parks and Culture, staff determined that there will be adequate space for pedestrians (over 3 m) around the sculpture after construction of the new 21-storey building is complete. The Developer has agreed to ensure that a replacement easement of a smaller scale will be transferred to the City prior to occupancy of the new building, to secure power and water supply to the sculpture. The servicing will be constructed at the Developer's expense with no charge to the City. The Developer also agreed to take on responsibility for ongoing electricity and water costs for the sculpture, an obligation which will ultimately be borne by all future owners.

The total market value of this transaction is \$1,190,000. The breakdown of the compensation respecting this transaction to both the City and the Developer is provided in Schedule "A" - Terms. All valuations prepared by Real Estate Services Appraisal unit.

"Schedule A" - Terms**First Transaction****Compensation to City for Limiting Distance Agreement (a+b)**

The market value of the Limiting Distance Agreement is \$876,000.

a) Rees Street Park Easement Release: Developer to release its Easement C890903 over Part 4 on Plan 66R-30590, at a fair market value of \$698,000 within 90 days of execution of the LDA. The Developer is to provide an additional \$10,435 to cover City's provincial land transfer tax costs incurred in completing easement release transaction.

b) Cash Balance Remaining: \$876,000 - \$698,000 = \$178,000 paid by Developer to City in the form of a certified cheque.

Second Transaction:

Sculpture Easement Release: City agrees to release Easement C890900 within ninety (90) days of executing the agreement. The compensation to the City for this easement release is \$314,000.

Other Terms:

Limiting Distance Agreement: The City, in its capacity as owner covenants and agrees that it shall not construct a building on Part 2 on Plan 66R-30950.

Sculpture Easement Replacement: Developer covenants and agrees to prepare and register a new easement in favour of the City over part of the property to provide services to the sculpture prior to occupancy of new buildings for nominal consideration in a form satisfactory to GM Parks Forestry & Recreation in consultation with Director Real Estate Services, at the Developer's expense.

Indemnity: Developer will indemnify City from and against all manner of actions, suits, claims and demands brought against City as consequence of entering into the LDA.

Release: Developer releases the City against all manners and actions brought against the City as consequence of entering into the LDA.

Appendix "A" – Property Location



