

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

TRACKING NO.: 2020-118

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, as adopted by City Council on May 22, 23 & 24, 2018 and Item GL9.14, as adopted by City Council on November 26 & 27, 2019 or, where applicable, contained in Item EX28.8, as adopted by City Council on November 7, 8 & 9, 2017.

Prepared By:	Mark Gunaratnam	Division:	Corporate Real Estate Management
Date Prepared:	May 1, 2020	Phone No.:	416-392-2598

Purpose	To obtain authority to enter into amending agreement no. 17 (" Amending Agreement No. 17 ") to amend the existing Space and Services Agreement made between Telus Communications Inc. (" Telus "), as landlord, and the City of Toronto (the " City "), as tenant, dated July 10, 2008 (the " Agreement "). This will enable the City to extend the Agreement for a further one year period, commencing on July 11, 2020 and expiring on July 10, 2021. In addition, to obtain authority to enter into sublease amending agreement no. 3 (" Sublease Amending Agreement No. 3 ") to amend the existing sublease made between the City, as landlord, and Toronto Community Housing Corporation (" TCHC "), as tenant, dated July 1, 2012 (the " Sublease Agreement "). This will enable the City to extend the Sublease Agreement for a further one year period, commencing on July 10, 2020 and expiring on July 9, 2021.
Property	73 Laird Drive, Toronto as shown on the Location Map in Schedule "A".
Actions	<ol style="list-style-type: none"> Authority be granted to enter into Amending Agreement No. 17 with Telus, substantially on the terms and conditions set out below with such revisions thereto and any other or amended terms and conditions as may be determined by the Director of Real Estate Services, and in a form acceptable to the City Solicitor; Authority be granted to enter into Sublease Amending Agreement No. 3 with TCHC, substantially on the terms and conditions set out below with such revisions thereto and any other or amended terms and conditions as may be determined by the Director of Real Estate Services, and in a form acceptable to the City Solicitor
Financial Impact	<p>The total cost to the City for the one (1) year Amending Agreement No. 17 extension is approximately \$665,280.00 (plus HST) or \$676,988.93 (net of HST recoveries) commencing July 11, 2020 to July 10, 2021, as outlined in Appendix "B". Funding is available in the 2020 Council Approved Operating budget for Technology Services.</p> <p>In addition, the City will recover \$132,000.00 (plus HST) in rental income by extending Sublease Amending Agreement No. 3 with the tenant, TCHC, as outlined in Appendix "C".</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>The Agreement between Telus, as landlord, and the City, as tenant, was authorized by Government Management Committee, Item GM 10.7, adopted in Council on December 3, 2007. Under the Agreement, the City was demised premises for data services operations. The Agreement provides that the City may purchase additional services from Telus from time to time, by entering into Lease Amending Agreements. The Agreement has been amended sixteen times to date. Amending Agreement No. 16 reduced billing by Telus to the City, by 96 sf. ft., from the existing 1,104 sq. ft. to 1,008sq. ft.</p> <p>The Sublease Agreement between the City, as landlord, and TCHC, as tenant, was authorized under DAF 2012-207. Under the Sublease Agreement the City demised 200 sqft² of its leased caged space to TCHC for data services operations. The Sublease Agreement has been amended twice before and the parties wish to extend the relationship for a further year in this Sublease Amending Agreement No. 3.</p>
Terms	Further terms of the Amending Agreement No. 17 are set out in Appendix "B", and further terms of the Sublease Amending Agreement No. 3 are set out in Appendix "C".

Property Details	Ward:	Ward 15 – Don Valley West
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	1, 008 Square Feet
	Other Information:	

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:	Delegated to more senior positions.	<input type="checkbox"/> Issuance of RFPs/REOIs.
4. Permanent Highway Closures:	Delegated to more senior positions.	<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:	Delegated to more senior positions.	Delegated to more senior positions.
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:	Delegated to more senior positions.	<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.
	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$50,000.	<input checked="" 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.
	Delegated to more senior positions.	<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:	Delegated to more senior positions.	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).
14. Miscellaneous:	Delegated to more senior positions.	<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, 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 the Deputy City Manager, Corporate Services and any related documents.

Consultation with Councillor(s)

Councillor:	Councillor Jay Robinson	Councillor:	
Contact Name:		Contact Name:	
Contacted by:	Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>	Contacted by:	Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	No objection (Apr 21, 2020)	Comments:	
Consultation with Divisions and/or Agencies			
Division:	Information Technology Division	Division:	Financial Planning
Contact Name:	Zulfiqar Khan	Contact Name:	Filisha Jenkins
Comments:	No objection (Apr 16, 2020)	Comments:	No objection (Apr 22, 2020)
Legal Division Contact			
Contact Name:	Dale Mellor		

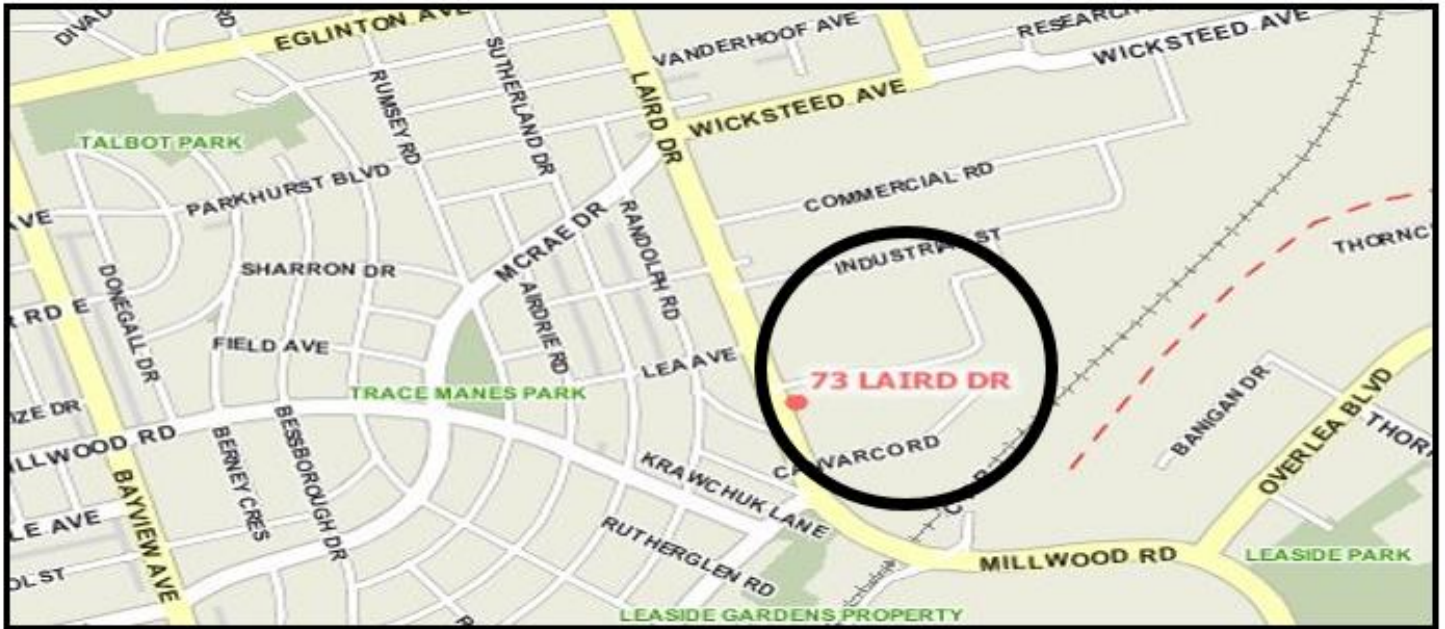
DAF Tracking No.: 2020-118	Date	Signature
Concurred with by: Manager, Real Estate Services		X
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas	June 10 th , 2020	Signed By: Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	June 22 nd , 2020	Signed By: Alison Folosea

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 market value and no interest shall be granted for an amount less than the appraised market value, nor additional compensation paid, unless specifically authorized by City Council.
- (f) Authority to approve any transaction 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



Appendix "B" – Terms

Amending Agreement No. 17

Extension: The Agreement shall be extended commencing from July 11, 2020 to July 10, 2021.

Rent: The City shall pay a revised rent of \$55.00/sq ft for the extension term, as more specifically set out in the table below.

Schedule "C" of the Agreement is amended by modifying Table 1 Premises, Services and Charges as follows:

Part I: Total rent over term

Year	Dedicated Hosting Solution	Premise Space - Cage (sqft)	Rate/sqft/month	Total Annual Rent
Year 9	July 11, 2020 to July 10 2021	1008	\$55/sqft	\$665,280.00

Part II: Details

Hosting and Storage Solution Specifications						
CdLo Renewal						
Customer: City of Toronto						
Minimum Term (months): 12						
Primary TELUS Data Centre:			Toronto Intelligent IDC (Laird)		Street Address: 73 Laird Dr.	
Specification ID:			CoTR1-IDC-43845-1		City /Province: Toronto, Ontario M4G 3T4	
QTY	Service	Description	Monthly Recurring Charges	One-Time Charges	Total Monthly Recurring Charges*	Total One-Time Charges*
1008	Dedicated Hosting (Co-location)	Hosting Co-located	\$55.00	\$0.00	\$55,440.00	\$0.00
	TELUS Data Centre:	Toronto Intelligent IDC (Laird)	/unit	/unit		
	Space requirements:					
	Notes:					
		• Power consumption limited to 100w/sqft				
		• All other charges such as cross connect and secur. fee will remain the same.				
	ID: 43845-1-01..1008					
Monthly Recurring Charge					\$55,440.00	
Estimated Monthly VARIABLE Charge***					\$0.00	
One-Time Charge						\$0.00
Total Estimated Monthly Charges (Recurring + Variable)					\$55,440.00	\$0.00

Services: The Services at the IDC have been assigned from Telus Communications Inc. to Telus International (Cda) Inc. Telus Communications Inc. shall retain all obligations and liabilities under the Agreement,

Early Termination: If the City exercises its right of Early Termination, it shall pay to Telus Communications Inc. a termination charge of twenty percent (20%) of the Rent that would have been payable after the date of termination to the end of the Term.

Appendix "C" – Terms**Sublease Amending Agreement No. 3**

Extension: The Sublease Agreement shall be extended commencing from July 10, 2020 to July 9, 2021.

Rent: TCHC shall pay a revised rent of \$55.00/sq ft for the extension term, as more specifically set out in the table below.

SCHEDULE "A"

Replace Table 1 in Section 5.03 of the Sublease with this Table 1.

Table 1 Sublease Basic Rent Amounts to be Paid by the Subtenant Specified for Each Year of the Term					
(A)	(B)	(C)	(D)	(E)	(F)
Sublease Year	Description of Hosting Solution	Area (ft ²)	Sublease Basic Rent per ft ² per month	Monthly Sublease Basic Rent Amount	Annual Sublease Basic Rent Amount
1. July 11, 2012 – July 10, 2013	Co-location in City Cage	200	\$55.00	\$11,000.00	\$132,000.00
2. July 11, 2013 – July 10, 2014	Co-location in City Cage	200	\$55.00	\$11,000.00	\$132,000.00
3. July 11, 2014 – July 10, 2015	Co-location in City Cage	200	\$87.00	\$17,400.00	\$208,800.00
4. July 11, 2015 – July 10, 2016	Co-location in City Cage	200	\$87.00	\$17,400.00	\$208,800.00
5. July 11, 2016 – July 09, 2017	Co-location in City Cage	200	\$87.00	\$17,400.00	\$208,800.00
6. July 10, 2017 – July 09, 2018	Co-location in City Cage	200	\$60.00	\$12,000.00	\$144,000.00
7. July 10, 2018 – July 09, 2019	Co-location in City Cage	200	\$60.00	\$12,000.00	\$144,000.00
8. July 10, 2019 – July 09, 2020	Co-location in City Cage	200	\$60.00	\$12,000.00	\$144,000.00
9. July 10, 2020 – July 09, 2021	Co-location in City Cage	200	\$55.00	\$11,000.00	\$132,000.00

City Legal Fees: TCHC shall pay to the City, at the time of execution of the Sublease Agreement, fees for legal services as prescribed by the City of Toronto Municipal Code (By-Law 487-2019) in the amount of \$569.76 (inclusive of 13% HST).