

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

TRACKING NO.: 2020-172

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:	Van Hua	Division:	Corporate Real Estate Management
Date Prepared:	June 24, 2020	Phone No.:	416-338-9572

Purpose To obtain authority for the City of Toronto, (the "Tenant") to enter into a Rent Reduction Agreement with Ontrea Inc., The Cadillac Fairview Corporation Limited and OPB (TDC) Inc. (collectively the "Landlord"); and a Subtenant Rent Reduction Agreement with The Group for the Creation of a Design Centre in Toronto (the "Subtenant"), for the Design Exchange space at 222 Bay Street.

Property 222 Bay Street, Toronto. See Appendix "A".

Actions 1. Authority be granted for the City of Toronto to enter into: (i) the Rent Reduction Agreement to amend the Lease; and (ii) the Subtenant Reduction Agreement to amend the Sublease; both in accordance with the Canada Emergency Rent Assistance program; on the terms acceptable to the Director, Real Estate Services and in the form satisfactory to the City Solicitor.

Financial Impact The Landlord grants forgiveness of a portion of the rent payable by the City as Tenant to the Landlord under the Lease, in respect to the months of April, May, and June 2020 in an amount equal to 75% of the total aggregate gross rent. The total amount of rent forgiveness granted for the three (3) months is \$89,461.15. The rent payable by the City is paid by the Subtenant directly to the Landlord. The reduced rent is set in the table below:

	Monthly Contract Rent for the Target Months	Monthly Tenant's Reduced Rent
April, 2020	\$ 39,760.51	\$ 9,940.13
May, 2020	\$ 39,760.51	\$ 9,940.13
June, 2020	\$ 39,760.51	\$ 9,940.13

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

Comments Report 5 (36) of the Committee on Land Use – adopted Feb 8, 1988 by former City of Toronto Council authorized a Section 36 Agreement dated January 27, 1988 between former City and The Toronto-Dominion Bank (as owner). As required by the Section 36 Agreement, The Toronto-Dominion Bank (as head landlord), Toronto-Dominion Centre West Limited (as ground tenant and landlord) and former City (as tenant), entered into a lease dated June 1, 1992, as amended by an agreement dated September 16, 1996, for a term of 99 years commencing June 1, 1992 to May 31, 2091, to provide not less than 41,280 square feet of community benefits space (the "Premises"), to be used for one or more non-profit publicly accessible cultural or institutional uses which: (a) are in keeping with displaying the historic Trading Floor of the Old TSE Building; (b) provide public accessibility to the Old TSE Building; (c) are in keeping with the quality and character of the development on the Lands; and (d) does not disturb the occupancy of tenants within the proposed office tower to be erected on Parcel B of the Development Lands. The rent is nominal (\$1.00) but proportionate share of operating costs is payable for the Premises and any shared facilities, which is paid directly by the Subtenant to the Landlord.

Comments section continued on page 4.

Terms All terms and conditions remain the same with the exception of the rent amounts for the months of April, May, and June 2020 which are stated above.

Property Details	Ward:	10 – Spadina-Fort York
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	3,835 m ² ± (41,280 ft ² ±)
	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 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"/> (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 six (6) months, including licences for environmental assessments and/or testing, etc.
10. Leases/Licences (City as Tenant/Licensee):	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.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000. <input type="checkbox"/> Where total compensation does not exceed \$50,000. Delegated to more senior positions.	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million. <input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million. <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 checked="" 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:	Joe Cressy				Councillor:										
Contact Name:					Contact Name:										
Contacted by:	Phone	x	E-Mail		Memo		Other	Contacted by:	Phone		E-mail		Memo		Other
Comments:	Advised 6.24.2020				Comments:										
Consultation with Divisions and/or Agencies															
Division:	Economic Development and Culture				Division:	Financial Planning									
Contact Name:	Mike Williams				Contact Name:	Filisha Jenkins									
Comments:	No objection – 6.24.2020				Comments:	No objection – 6.24.2020									
Legal Division Contact															
Contact Name:	Soo Kim Lee														

DAF Tracking No.: 2020-172	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas	June 28 th , 2020	Signed By: Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	June 29 th , 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").

Comments continued

The City (as sublandlord) and The Group for the Creation of a Design Centre in Toronto, (the "Subtenant") entered into a Sublease Agreement dated September 30, 1994, as amended by an agreement effective September 16, 1996 (collectively, the "Sublease") for use of the Premises for a sublease term commencing December 1, 1990 and ending on May 30, 2091.

The Canada Emergency Commercial Rent Assistance (CECRA) provides relief for businesses experiencing financial hardship due to COVID-19. Eligible commercial property owners who participate in this program can offer to their impacted tenants a minimum of 75% rent reduction for the months of April, May, and June 2020.

The Landlord, the City and the Subtenant wish to participate in the CECRA program.

Appendix "A" The Property

222 Bay Street, Toronto

