

DELEGATED APPROVAL FORM

DIRECTOR, REAL ESTATE SERVICES

TRACKING NO.: 2020-147

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:	Robin Chen	Division:	Corporate Real Estate Management
Date Prepared:	June 30 th , 2020	Phone No.:	416-392-1852

Purpose
 To obtain authority for the City to 1) enter into an Assignment and Assumption Agreement with Dream Properties Acquisition Inc. ("Dream"). for the City to be assigned, as buyer, an Agreement of Purchase and Sale between Dream and Dundas Square Gardens Development Inc. (the "Seller") (the "APS") so that the City can become the registered and beneficial owner of a retail space known as 'Retail 'C' (the "City Space") within the development at 200 Dundas Street East, Toronto, for the purpose of creating an Indigenous Centre for Innovation; and 2) enter into a Shared Facilities Agreement (the "Shared Facilities Agreement ") with the Seller to allow for harmonious integration and operation of the City Space and adjacent community and cultural space that the City will be also be acquiring pursuant to a Section 37 Agreement between the Seller and the City (the "Community and Cultural Space") within the rest of the development being developed by the Seller.

Property
 Parts 2, 33, 34, 36, 38, 40 and 70 on a draft reference plan to be deposited being Part of Pin 2110-0176 (LT) in the Land Registry Office of Toronto (No.66) in Land Titles Division of property legally described as Lt 1-11 PI 240E Toronto; Lane PI 240E Toronto; Lot 15, Plan 10A, Toronto E/S Jarvis St, Part of Lot 16, Plan 10A, Toronto E/S Jarvis St Being Pt 1, 66R-29590; City of Toronto Shown In Appendix A attached hereto.

Actions
 It is recommended that:

1. Authority be granted for the City to enter into the Assignment and Assumption Agreement with Dream to accept the assignment of the APS so that the City can become the registered and beneficial owner of the City Space, substantially on the terms and conditions outlined in Appendix "B" and on such other or amended terms and conditions as may be acceptable to the Director of Real Estate and in a form satisfactory to the City Solicitor.
2. Authority be granted for the City to enter into the Shared Facilities Agreement with the Seller to allow for the harmonious integration and operation of the City Space and the Community and Cultural Space within the rest of the development being developed by the Seller substantially on the terms and conditions outlined in Appendix "C" and on such other or amended terms and conditions as may be acceptable to the Director of Real Estate and in a form satisfactory to the City Solicitor.
3. The City Solicitor be authorized to complete the transactions on behalf of the City contemplated in Recommendation No. 1 and 2, including entering a document registration agreement with the Seller's solicitors, paying the City's contribution towards the purchase price, any necessary expenses, amending the closing, due diligence and other dates, and amending and waiving terms and conditions, on such terms as he or she considers reasonable.
4. The Deputy City Manager, Corporate Services, or her successor or designate, shall administer and manage the Shared Facilities Agreement, including the provision of any amendments, consents, certificates, 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.
5. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact The cost to the City for this acquisition is shown below:

Purchase Price for the City Space	\$1,865,750.00 (plus HST)
Minus: contribution from the Dream portion remitted to the City)	\$1,200,000.00 (plus 1.76% non-recoverable HST)
Net Purchase Price to be paid by the City:	\$665,750.00

Pursuant to a Section 37 Agreement between Dream and the City dated September 19th, 2018 (the "Dream Section 37 Agreement"), Dream is to be responsible for \$1,200,000.00 of the Purchase Price of the City Space and the transaction costs of the City, including but not limited to all registration costs and any applicable tax. Specifically, Dream is also responsible for net of HST recoveries amount of \$32,837.20, which will be remitted to the City for payment.
 Funding is available in the 2020-2029 Council Approved Capital Budget and Plan for Corporate Real Estate Management under account CCA226-09.
 The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.

Comments
 As part of the Dream Section 37 Agreement, Dream was to make commercially reasonable efforts, on behalf of the City, to acquire the City Space from the Seller for the purchase price of \$1,865,750.00. The Dream Section 37 Agreement provided that Dream was to contribute \$1,200,000.00 towards the purchase price of the City Space and pay any and all transaction costs relating to the acquisition of the City Space. Under the Dream Section 37 Agreement, the City is to pay the remaining balance of the purchase price for the City Space from Section 37 Funds for the ward.

Terms
 See Appendix "B" and "C"

Property Details	Ward:	Ward 13 - Toronto Centre
	Assessment Roll No.:	
	Approximate Size:	203 m2
	Approximate Area:	
	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 checked="" 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/REOs:	Delegated to more senior positions.	<input type="checkbox"/> Issuance of RFPs/REOs.
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/Licensors):	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.	<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 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 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 checked="" 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 checked="" 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.

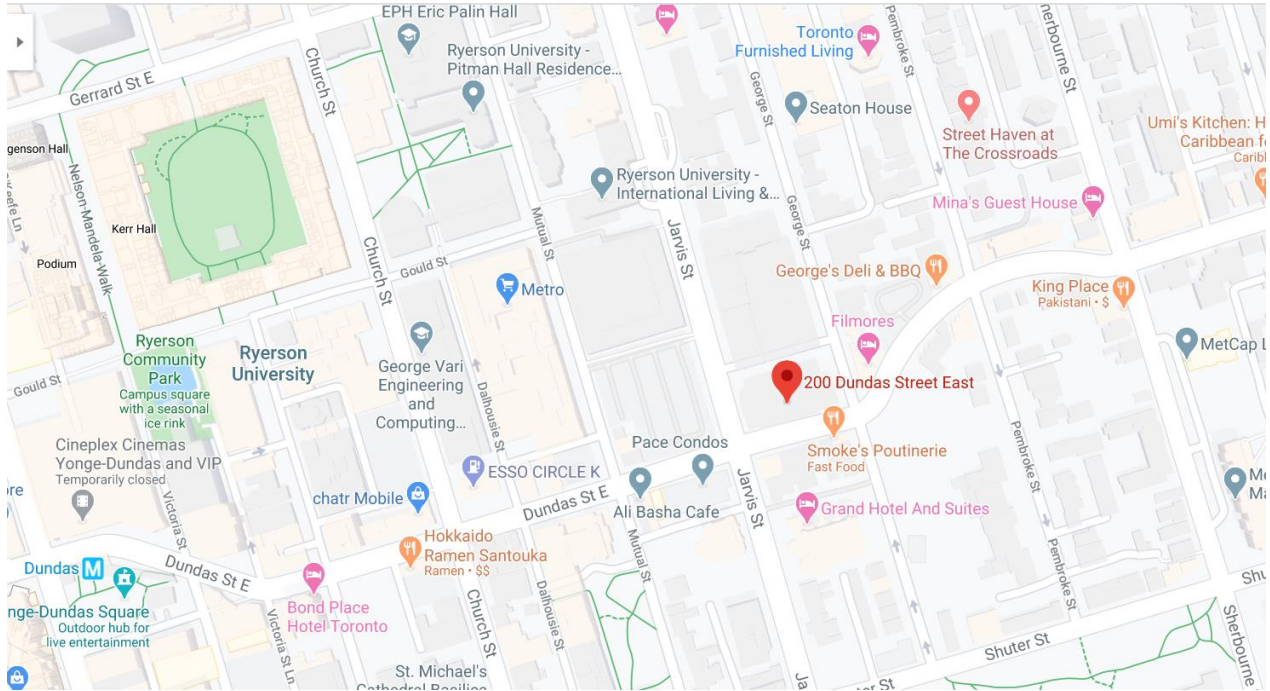
Consultation with Councillor(s)										
Councillor:	Councillor Wong-Tam					Councillor:				
Contact Name:	Edward LaRusic					Contact Name:				
Contacted by:	Phone	E-Mail	x	Memo	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:	No Objection (June 1 st , 2020)					Comments:				
Consultation with Divisions and/or Agencies										
Division:	FM PMO					Division:	Financial Planning			
Contact Name:	Juliet Morielli					Contact Name:	Filisha Jenkins			
Comments:	Proceed (June 23, 2020)					Comments:	(June 25, 2020)			
Legal Division Contact										
Contact Name:	Luxmen Aloysius (June 25, 2020)									

DAF Tracking No.: 2020- 147	Date	Signature
<input type="checkbox"/> Recommended by: Manager, Real Estate Services Melanie Hale-Carter	June 30, 2020	Signed by Melanie Hale-Carter
<input checked="" type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	July 2, 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 – Major Terms & Conditions of APS

Buyer	Initially Dream Properties Acquisition Inc. ("Dream") and after entering into the Assignment and Assumption Agreement between Dream and the City, the City.
Seller	Dundas Square Gardens Development Inc.
City Space Description	Parts 2, 33, 34, 36, 38, 40 and 70 on a draft reference plan to be deposited being Part of Pin 2110-0176 (LT) in the Land Registry Office of Toronto (No. 66) in Land Titles Division, legally described as Lt 1-11 PI 240E Toronto; Lane PI 240E Toronto; Lot 15, Plan 10A, Toronto E/S Jarvis St, Part of Lot 16, Plan 10A, Toronto E/S Jarvis St Being Pt 1, 66R-29590; City of Toronto
Purchase Price	\$1,865,750.00
Construction	<p>The Property will be constructed to base building standards in accordance with the plans approved by the City, which shall include the following:</p> <ul style="list-style-type: none"> (i) raw space with concrete floors, all exposed interior demising walls shall be left unfinished concrete or drywall, exterior doors and windows; (ii) water supply line to be capped, valved and metered water within the space; (iii) unit heaters (heating only) with capped chilled water connections in the Property; (iv) electrical disconnect located in the Property; and (v) water to be separately metered, electricity and BTU consumption to be separately sub-metered. <p>The construction of the City Space to these standards and specifications have been completed and confirmed by Facilities Management at the City.</p>
Due Diligence Condition	The Agreement is conditional on the following conditions in favour of the Buyer being satisfied or waived on or before July 3, 2020 : (i) the plan in respect of the City Space (as attached as Schedule "B" to the APS) has been deposited at the Land Registry Office; (ii) the City having obtained all necessary approvals relating to the acquisition of the City Space; and (ii) the City Space being constructed by the Seller at the Seller's sole cost and expense to the satisfaction of the City.
Assignment of APS	Following the waiver of the Due Diligence, the Buyer shall assign its interest in this Agreement to the City, and the City shall assume such assignment and shall direct title to the City of Toronto or such other entity as the City of Toronto may direct, and shall direct that all closing documents be in the name of the City of Toronto or such other entity as the City of Toronto may direct.
Closing Date	July 9, 2020
City Space Title Opinion	Immediately following the conveyance of the City Space from the Seller to the Buyer, the Seller's solicitor shall provide to the Buyer, at the Seller's sole cost a title opinion, in form and content acceptable to the City Solicitor, confirming that the conveyance of the Property has been completed free and clear of any and all encumbrances, save and except for those permitted encumbrances listed in the APS which are satisfactory to the City (the "Permitted Encumbrances").
Shared Facilities Agreement	The Seller and the Buyer shall enter into the Shared Facilities Agreement, in form and content acceptable to the City on the Closing Date. Immediately following the conveyance of the Property from the Seller to the Buyer, the Seller's solicitor shall provide to the Buyer, at the Seller's sole cost a title opinion, in form and content acceptable to the City Solicitor, confirming that the Shared Facilities Agreement has been registered on the applicable lands, as determined by the Buyer, in priority to all encumbrances, save and except for the Permitted Encumbrances.

Reservation and Grant of Easements	On the Closing Date and upon registration of the transfer of the City Space from the Seller to the Buyer, the Buyer will have the benefit and burden of easements over its lands and the Seller, as developer, will have the benefit and burden of easements over components of its lands within the development to allow for the integration and harmonious operation of each component within the development, including the City Space.
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Appendix C – Major Terms & Conditions of Shared Facilities Agreement

<p>Parties</p>	<p>Dundas Square Gardens Developments Inc., in its capacity as the registered owner of the condominium lands (the "Condominium Lands") and the commercial/retail space (the "Commercial/Retail Space") within the subject development; and</p> <p>City of Toronto, in its capacity as the registered owner of the City Space.</p>
<p>City Space</p>	<p>For the purposes of the Shared Facilities Agreement, the City Space means the City Space and the Cultural and Community Space.</p>
<p>Components</p>	<p>For the purposes of the Shared Facilities Agreement, Components means each or all of the means each of the Condominium Lands, Commercial/Retail Space and the City Space.</p>
<p>Shared Facilities</p>	<p>“Shared Facilities” means those areas, equipment and facilities which form part of the Condominium Lands, Commercial/Retail Space or City Space within the subject development and which provide any function, service, access, utility, structural support or any other facility to any two or more components as identified on Schedule “A” and/or Schedule “B” of the Shared Facilities Agreement.</p> <p>Each Party is to operate, maintain, repair, improve, alter, replace and administer the Shared Facilities located within its Component to acceptable standards, using acceptable materials and acceptable contractors. Acceptable contractors as it pertains to the City Space includes permitted contractors as set out in the City’s Fair Wage Policies and Labour Trades Contractual Obligations in the Construction Industry.</p>
<p>Reciprocal Easements</p>	<p>Subject to the terms and conditions set out in the Shared Facilities Agreement, the parties acknowledge and confirm that reciprocal easements are burdened on the Condominium Lands, the City Space and the Commercial/Retail Space for the purpose of accessing, supporting, using, installing, maintaining, repairing and reconstructing the Shared Facilities.</p>
<p>City Access to Shared Facilities</p>	<p>The City Space shall have full access to and use of all areas located in the other Components that are reasonably necessary for the use, operation, maintenance and repair of the City Space at all times. Without limiting the generality of the foregoing, the City Space shall have internal access to and use of the loading area, retail garbage area, service elevator and associated service corridors. All access routes shall be functional and shall not require special care and attention to gain access to the service corridor leading to the loading and garbage facilities.</p>
<p>City Costs</p>	<p>City shall pay for utilities consumed within the City Space.</p> <p>City shall pay a pro-rata share of operating costs based upon square footage of each of the Components for Shared Facilities it has continuous and regular use of. The aforementioned percentage to be determined by the Seller, acting reasonably, based upon the square footage of each Component within the Development.</p> <p>The City shall not be responsible for maintenance, repair or replacement of any Shared Facilities located within the Condominium or the Commercial/Retail Space (including, without limiting the generality of the foregoing, the central HVAC system) or any associated costs except to the extent of the City Contribution set out above. Without limiting the generality of the foregoing and notwithstanding the provisions of the Shared Facilities Agreement, the owners of the Condominium and the Commercial/Retail space shall be responsible at</p>

	<p>their sole cost for the ongoing responsibility to supply, repair, replace and maintain all the mechanical components servicing the City Space, without limitation this includes the heating ventilation and air conditioning system servicing the City Space, the electrical power and panel coming into the City Space, the plumbing coming into and outgoing from the City Space, including the check meter for incoming hot and cold water supply lines, the sprinkler system and life and safety equipment and the required intake and exhaust system.</p>
<p>Alterations</p>	<p>Each Party may, at any time and from time to time, at its sole cost and expense, alter the improvements on or within its Component without the consent of the other Parties, save and except where such alteration would constitute a material adverse change.</p>
<p>Shared Facilities Committee</p>	<p>A Shared Facilities Committees comprising of members from the Condominium and the Commercial/Retail Space shall be responsible for overseeing all matters relating to the operation, maintenance, repair, improvement, alteration, replacement and administration of the Shared Facilities.</p> <p>The City shall not have members on the Shared Facilities Committee. The Shared Facilities Committee in overseeing (and implementing through the Property Manager) the Shared Facilities shall ensure that the Shared Facilities are operated, maintained, repaired, improved, altered, replaced and administered to the acceptable standards to allow for the harmonious operation of the City Space within the development. The Declarant, Condominium and the Commercial/Retail Owner shall indemnify and release the City from any and against all claims which may be brought against or made upon the City and against all losses, costs, damages, charges and expenses which may be incurred, sustained or paid by the City by reason of the breach by the Declarant, Condominium and/or the Commercial/Retail Owner of its obligation under this Agreement to operate, maintain, repair, improve, alter, replace and manage the Shared Facilities or the negligent act or omission or willful misconduct of its workers, contractors, employees, agents or those for whom in law it is responsible, including but not limited to the reasonable costs of the City, or their solicitors of defending any such claims, save and except to the extent they are caused or contributed to by the negligent act or omission or willful misconduct of the City, its workers, contractors, employees, agents or those for whom in law it is responsible.</p>