

DELEGATED APPROVAL FORM
DEPUTY CITY MANAGER, CORPORATE SERVICES
EXECUTIVE DIRECTOR, CORPORATE REAL ESTATE MANAGEMENT

TRACKING NO.: 2022-064

Approved pursuant to the Delegated Authority contained in Article 2 of City of Toronto Municipal Code Chapter 213, Real Property

Prepared By:	Elliott Baron	Division:	Corporate Real Estate Management
Date Prepared:	March 30, 2022	Phone No.:	416-338-3207

Purpose	To obtain authority to enter into a licence agreement with Hydro One Networks Incorporated (the " Licensee ") with respect to the property municipally known as 1 Foster Place for the purposes of granting non-exclusive access and construction staging in connection with the Licensee's construction project on its adjacent lands (the " Licence Agreement ").
Property	A portion of the property municipally known as 1 Foster Place, Toronto, legally described as Lt 20 e/s Elizabeth St, 21 e/s Elizabeth St, 22 e/s Elizabeth St, 23 e/s Elizabeth St, 26 e/s Elizabeth St, 27 e/s Elizabeth St, Pl 13A, Toronto; City of Toronto, being Part of PIN 21200-0064 (LT), and shown outlined in red in Appendix "B" (the " Premises ").
Actions	1. Authority be granted to enter into the Licence Agreement with the Licensee, substantially on the major terms and conditions set out in Appendix "A", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.
Financial Impact	<p>The City's total revenue is estimated to be \$4,150,000 plus Harmonized Sales Tax ("HST"). This includes an annual licence fee of \$830,000 plus HST for the initial four (4) year term. The Licensee has two renewal options to be exercised at their discretion for six (6) months each, with a minimum licence fee of \$415,000 plus HST but which is subject to negotiation based on the then current market values.</p> <p>Revenue generated from this transaction will be directed to the 2022 Council Approved Operating Budget for Corporate Real Estate Management under cost center FA1379. Future year revenue will be referred to the City's annual budget process and will be included as part of future year budget submissions for City Council consideration.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial implications as identified in the Financial Impact section.</p>
Comments	<p>The Licensee owns lands adjacent to the Premises, outlined in green in Appendix "B", and is undertaking construction activities on these lands. The construction is part of the Licensee's Power Downtown Toronto project to upgrade infrastructure to improve service to the downtown core. The Premises is required to provide non-exclusive access to operate a tower crane and drilling machine, construction staging, and storage of vehicles, equipment and materials to facilitate the construction.</p> <p>The Premises has been included in the City's ModernTO initiative. Corporate Real Estate Management ("CREM"), together with CreateTO, have negotiated terms which minimize any potential impacts to the timeline for the City's ModernTO project.</p> <p>The proposed licence fee and other major terms and conditions of the Licence Agreement are considered to be fair, reasonable and reflective of market rates.</p>
Terms	See Appendix "A"

Property Details	Ward:	10 – Spadina-Fort York
	Assessment Roll No.:	1904-06-6-130-00600
	Approximate Size:	N/A
	Approximate Area:	605 m ² ± (6,512 ft ² ±)
	Other Information:	N/A

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
2A. Expropriations Where City is Expropriating Authority:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.
2B. Expropriations For Transit-Related Purposes Where City is Property Owner or Has Interest in Property Being Expropriated:	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million. Request/waive hearings of necessity delegated to less senior positions.	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million. Request/waive hearings of necessity delegated to less senior positions.
3. Issuance of RFPs/REOs:	<input type="checkbox"/> Issuance of RFPs/REOs.	<input type="checkbox"/> Issuance of RFPs/REOs.
4. Permanent Highway Closures:	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.
5. Transfer of Operational Management to Divisions, Agencies and Corporations:	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.	<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 \$3 Million. <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. Delegated to a more senior position.	<input checked="" type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million. <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. <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, as amended from time to time.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> (a) Where total compensation does not exceed \$3 Million. <input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.	<input type="checkbox"/> (a) Where total compensation does not exceed \$5 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 \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
13. Revisions to Council Decisions in Real Estate Matters:	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).
14. Miscellaneous:	<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/Estoppel Certificates <input type="checkbox"/> (f) Objections/Waivers/Cautions <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	<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/Estoppel Certificates <input type="checkbox"/> (f) Objections/Waivers/Cautions <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. Deputy City Manager, Corporate Services and Executive Director, Corporate Real Estate Management each has signing authority on behalf of the City for:

- Documents required to implement matters for which each position also has delegated approval authority.
- 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.
- Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents.

Pre-Condition to Approval

Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property

Consultation with Councillor(s)

Councillor:	Joe Cressy	Councillor:	
Contact Name:	Bushra Mir	Contact Name:	
Contacted by:	<input type="checkbox"/> Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other	Contacted by:	<input type="checkbox"/> Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other
Comments:	No Objections – February 16, 2022	Comments:	

Consultation with Divisions and/or Agencies

Division:	CreateTO	Division:	Financial Planning
Contact Name:	Peter Harron	Contact Name:	Ciro Tarantino
Comments:	Comments Incorporated – February 16, 2022	Comments:	Comments Incorporated – March 9, 2022

Legal Services Division Contact

Contact Name:	Gloria Lee – Comments Incorporated – March 3, 2022
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DAF Tracking No.: 2022-064	Date	Signature
Recommended by: Vinette Prescott-Brown Manager, Real Estate Services	April 6, 2022	Signed by Vinette Prescott-Brown
Recommended by: Alison Folosea Director, Real Estate Services	April 7, 2022	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input type="checkbox"/> Approved by: Patrick Matozzo	April 8, 2022	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli	April 11, 2022	Signed by Josie Scioli

Appendix "A"
Major Terms and Conditions

Licence Fee:	\$830,000.00 plus HST per annum
Term:	Four (4) years commencing on October 1, 2022 and ending on September 30, 2026
Option to Extend:	Two options to extend for a further period of six (6) months each by giving the City notice in writing not less than six (6) months and not more than twelve (12) months before the date of expiry of the then current term. The Licence Fee for the extended term shall be based on the new rates to be agreed on by the City and the Licensee and shall be fair market value
Early Termination by the Licensee:	Upon 30 days' written termination notice
Acceptance "As Is":	The Licensee accepts the Licensed Area in its "as is" and "where is" condition
Use:	On a non-exclusive basis for the purposes of access to operate the tower crane and drilling machine from the Premises to carry out construction work on the adjacent property to the east of the Premises, construction staging, and storage of vehicles, equipment and materials.
Inspections and Access:	The City shall be permitted to access and to carry out inspections of the Premises to ensure compliance with the terms of the Agreement as the City deems reasonably necessary, and without notice to the Licensee, provided that such inspections are not carried out in a manner which causes an unreasonable interference with the operation of the Licensee's Use.
Security:	The Licensee shall provide all security and supervision required for the Premises and the Licensee's Chattels at its sole cost and expense.
Restoration:	Upon the expiry or termination of the Licence, the Licensee shall immediately remove all of the Licensee's Chattels, restore the Premises to a condition as close as is practicable to its condition prior to occupation by the Licensee, and leave the Premises clean, tidy, and in good repair.
Insurance:	Commercial General Liability Insurance which has inclusive limits of not less than \$20,000,000.00 per occurrence Contractor's Pollution Liability for gradual, sudden and accidental losses with a minimal limit of \$2,000,000 Standard Automobile Liability coverage with a limit of at least \$5,000,000 for all licensed motorized vehicles used on the Premises

Appendix B
Property Sketch and Location

