

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

TRACKING NO.: 2024-235

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

Prepared By:	Eric Allen	Division:	Corporate Real Estate Management
Date Prepared:	September 24, 2024	Phone No.:	416-392-1852
Purpose	To obtain authority to revise City Council's Decision made on July 19, 2022, by its adoption of Item GL32.20 (the "Original Decision") to amend certain business terms from the report. The original Council Decision authorized a land lease of part of City-owned lands (the "Property") to the Ontario Tennis Association (the "Tenant"), for the Tenant to construct a Tennis Facility at its cost, in accordance with plans and specifications approved by the City as landlord, for which the Tenant requires significant fundraising. The Tenant accepts the Leased Lands of approximately 3 acres "as is", with site servicing to the boundary of the Leased Lands. As CreateTO has not finalized arrangements for site servicing by third parties, the critical dates in the Lease are to be revised as outlined below.		
Property	The Property is generally described as being located east of Allen Road and south of Sheppard Avenue West, at the at the southwest end of the Allen East District Plan Area and is shown in Appendix "A".		
Actions	1. Authority be granted to revise the Original Decision to amend certain business terms.		
Financial Impact	<p>The Lease will be provided for nominal rent and in accordance with the terms of the Lease, the tenant will be responsible for all costs, including development costs, construction, maintenance and operating costs, replacement costs, and property taxes, related to Property.</p> <p>The estimated total opportunity cost of the Lease over the fifty year, less one day, potential term (which includes an option to extend the Lease for a ten year, less one day extension term) is \$37.5 million, based on a land value of three acres at \$5.0 million per acre, and at an annual rental rate of 5 percent.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	As set out in the Term Sheet attached to the Council Report, the Tenant intends to seek exemption or one hundred (100%) percent relief from any obligations to pay realty taxes, special assessments, or development charges. If the Leased Lands or a portion thereof is eligible to be designated as a municipal capital facility and exempt from taxation for municipal and school purposes under section 252 of the City of Toronto Act, 2006 and O. Reg. 598/06, both as amended, the City as landlord and property owner will request review by Revenue Services, in accordance with usual City policies and procedures.		
Terms	<p>The critical dates in the Lease to be revised as follows:</p> <ol style="list-style-type: none"> "Commencement Date" shall be the earlier of: The confirmed date for completion of site servicing which includes access roads and connection of utilities to the boundary of the Leased Lands in a manner adequate for Tenant to commence construction or for Tenant's use (the "Site Servicing"), by written notice from the Landlord to the Tenant (the "Commencement Date Notice"); and Ten (10) years after execution of the Lease by the Landlord and the Tenant. At any time prior to receipt of the Commencement Date Notice, the Tenant may terminate this Lease by written notice to the Landlord. The Tenant shall provide evidence of funding to construct and complete the Tennis Facility, satisfactory to the Executive Director, Corporate Real Estate Management, acting reasonably, within three (3) years of the Commencement Date, failing which, the Lease shall terminate, without any compensation whatsoever to the Tenant. Tenant shall: (i) submit all required development applications within one (1) year of Commencement Date; (ii) secure Site Plan approval for the Tennis Facility within two (2) years of the Commencement Date; (iii) commence construction within three (3) years of the Commencement Date; and (iv) complete the Tennis Facility in accordance with plans and specifications approved by Landlord, within five (5) years of the Commencement Date (each a "Construction Deadline", which is subject to Force Majeure). <p>(continued on page 4)</p>		
Property Details	Ward:	York Centre – Ward 6	
	Assessment Roll No.:	N/A	
	Approximate Size:	N/A	
	Approximate Area:	Approximately 12,141 square metres ± (130,680 square feet – 3 acres) ±	
	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/REOIs:	<input type="checkbox"/> Issuance of RFPs/REOIs.	<input type="checkbox"/> Issuance of RFPs/REOIs.
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 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 checked="" 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:	Councillor James Pasternak					Councillor:					
Contact Name:	Jenya Drazman					Contact Name:					
Contacted by:	<input type="checkbox"/> Phone	<input type="checkbox"/> E-Mail	<input checked="" type="checkbox"/> X	<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 comments					Comments:					

Consultation with Divisions and/or Agencies

Division:	CreateTO					Division:	Financial Planning				
Contact Name:	Mehakdeep Dhillon					Contact Name:	Ciro Tarantino				
Comments:	No comments					Comments:	No comments				
Division:	Parks Forestry & Recreation					Division:					
Contact Name:	Alex Deighan /Thomas Kakamousias					Contact Name:					
Comments:	No comments					Comments:					

Legal Services Division Contact

Contact Name: **Soo Kim Lee (Real Estate Law), Angelina Shi (Municipal Law)**

DAF Tracking No.: 2024-235	Signature
Recommended by: Manager, Real Estate Services Niall Robertson	Signed by Niall Robertson on September 23, 2024
Recommended by: Director, Real Estate Services Alison Folosea	n/a
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input type="checkbox"/> Approved by: Patrick Matozzo	Signed by Patrick Matozzo on September 23, 2024
<input type="checkbox"/>	

Terms (continued):

4. The Tenant will use only the name "The Downsview Training Centre for the Ontario Tennis Association" or "Ontario Tennis Association" for the Property and shall not change or permit the change of that name without the prior written consent of the Landlord.
5. In the event the Tenant wishes to propose a name for the Property other than as set out in item 4, Landlord as landlord and property owner and not as municipal authority shall review such requests as follows:
 - (a) If the proposed name change is not connected to financial contributions or sponsorships from a third party entity, but rather intended to reflect the tennis related uses at the Property or a corresponding name change of the Tenant itself, and the request is accompanied by such information as the Landlord may require, then the Landlord shall assess the request acting reasonably, with reference to and application of any City policies for the naming of facilities located on City property, and if necessary, seek any additional authorities related to the request.
 - (b) If the proposed name change is in connection with a proposed third party financial contribution or sponsorship at the site, then provided the request is accompanied by such information as the Landlord may require, including the proposed name, the value of the financial contribution, the length of term of the arrangement, the proposed use for the proceeds generated by the arrangement and any other relevant information], then the request will be sent to the relevant Landlord division for review, which may include seeking direction by a report for consideration at a subsequent meeting of Committee and City Council, with respect to whether such name change and the related financial arrangements are acceptable to the Landlord.
6. Within three (3) years of the Commencement Date and prior to commencement of construction, the Tenant may terminate the Lease by notice in writing to the Landlord, without payment of compensation of any kind to each other, if the Leased Lands or a portion thereof:
 - (i) is not eligible to be designated as a municipal capital facility and exempt from taxation for municipal and school purposes under section 252 of the City of Toronto Act, 2006 and O. Reg. 598/06, and
 - (ii) is not eligible for waiver of development charges.

Appendix "A"

Location of Property

