

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

TRACKING NO.: 2024-247

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

Prepared By:	Leila Valenzuela	Division:	Corporate Real Estate Management										
Date Prepared:	October 4, 2024	Phone No.:	(416) 392-7174										
Purpose	To obtain authority to enter into a Land Exchange Agreement to exchange a portion of Borough Drive and adjoining reserve strips for portion of lands municipally known as 25 Borough Drive with OMERS Realty Holdings (STC One) Inc. and ARI STC GP Inc. ("Owner 1"), OMERS Realty Holdings (STC Two) Inc. and ARI STC GP Inc. ("Owner 2") and ARI STC Investments LP (collectively with Owner 1 and Owner 2, the "Owner"), conditional upon City Council approving the permanent closure of part of Borough Drive(the "Agreement").												
Property	<ol style="list-style-type: none"> Part of the property municipally known as 25 Borough Drive, Toronto, legally described as Parcel C-2 & Parcel EX-1, Sect M1410. Blk C, Plan M1410 S/E Pts 5, 6, 9, 10,12, 13, 16 , 17, 18 on 66R-14303; Pt Blk EX (1' Res), Plan M1410 Being Pt 3 on 66R-14303; Pt Blk S (Public Hwy-Closed By C327830), Plan M1410 Being Pt 2 on 66R-14303, Subject to easement over Pt Blk C as in A71301, together with a R.O.W over Blocks AX, DX, FX, GX, HX, KX, LX, OX, PX, QX, RX, TX as in A322822 and Blks EX, JX, SX,UX as in A322823 & A344281; Scarborough, City of Toronto, being Parts 2 and 5 on the draft plan attached as Appendix "C", being part of PIN 06000-0242, (the "New Road Lands"), as shown on the attached as Appendices "B" & "C". Portion of Borough Drive adjacent to 25 Borough Drive shown as Part 13 on final draft plan, being part of PIN 06000-0208 (LT) (the "Highway Lands") and the adjoining reserve strips shown as Part 9, 10, 19 & 20 being part of PIN Nos. 06000-0108, 06000-0243 and all of PIN 06000-0107 (the "Reserve Strips") as shown on the attached as Appendices 'B' & "C" (collectively the "City Lands"). 												
Actions	<ol style="list-style-type: none"> The City enter into the Agreement with the Owner for the sale of the City Lands to Owner 1 in exchange for the conveyance to the City by Owner 2 of the New Road Lands, with a net amount to be paid to the City of approximately \$499,155.90, subject to adjustment as set out in Appendix "A". The Agreement shall be substantially on the terms outlined in Appendix "A" and on such other or amended terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor. A portion of the proceeds of the sale be directed to fund any outstanding expenses related to the completion of the sale transaction. 												
Financial Impact	<p>The City will receive net revenue in the approximate amount of \$499,155.90, subject to adjustment as set out in Appendix "A" (exclusive of HST and other applicable taxes, less closing costs and usual adjustments). The proceeds will be contributed to the Land Acquisition Reserve Fund (XR1012) upon closing of the transaction.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>												
Comments	<p>The Owner requested that the Highway Lands be stopped up and permanently closed, and together with the Reserve Strips, be sold to the Owner for inclusion in its development at 25 Borough Drive. In exchange, the Owner would build a new roadway on the New Road Lands, which will be conveyed to the City to replace the City Lands. The construction of the realigned Borough Drive by the Owner is in accordance with a Section 37 Agreement under the Planning Act between the City and the Owner dated May 14, 2024, and will help implement the street network in accordance with the Scarborough Centre Secondary Plan.</p> <p>On June 15, 2022 (DAF No. 2022-134), the City Lands were declared surplus with the intended manner of disposal to be by way of exchange of certain lands with the Owner. All steps necessary to comply with the City's real estate disposal process as set out in Article 1 of Chapter 213 of the City of Toronto Municipal Code have been complied with.</p> <p>On July 19, 2022, City Council adopted Item SC33.41 authorizing the permanent closure of the Highway Lands and the enactment of the road closing by-law, following the deposit of the final draft plan, with such closing by-law to come into effect at the moment in time immediately prior to the registration of the transfer of the City Lands to the Owner.</p> <p>The Offer is considered fair, reasonable and reflective of market value, and it is recommended for acceptance substantially on the major terms and conditions set out in Appendix "A".</p>												
Terms	See Appendix "A"												
Property Details	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Ward:</td><td>21 – Scarborough Centre</td></tr> <tr> <td>Assessment Roll No.:</td><td>City Lands: N/A; New Road Lands: Part of 1901-05-1-740-00100</td></tr> <tr> <td>Approximate Size:</td><td>Irregular shaped</td></tr> <tr> <td>Approximate Area:</td><td>City Lands: 5,265.8 m² ; New Road Lands: 4,551.70 m²</td></tr> <tr> <td>Other Information:</td><td></td></tr> </table>			Ward:	21 – Scarborough Centre	Assessment Roll No.:	City Lands: N/A; New Road Lands: Part of 1901-05-1-740-00100	Approximate Size:	Irregular shaped	Approximate Area:	City Lands: 5,265.8 m ² ; New Road Lands: 4,551.70 m ²	Other Information:	
Ward:	21 – Scarborough Centre												
Assessment Roll No.:	City Lands: N/A; New Road Lands: Part of 1901-05-1-740-00100												
Approximate Size:	Irregular shaped												
Approximate Area:	City Lands: 5,265.8 m ² ; New Road Lands: 4,551.70 m ²												
Other Information:													

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate Services has approval authority for:
<p>1. Acquisitions:</p> <p>2A. Expropriations Where City is Expropriating Authority:</p> <p>2B. Expropriations For Transit-Related Purposes Where City is Property Owner or Has Interest in Property Being Expropriated:</p> <p>3. Issuance of RFPs/REOIs:</p> <p>4. Permanent Highway Closures:</p> <p>5. Transfer of Operational Management to Divisions, Agencies and Corporations:</p> <p>6. Limiting Distance Agreements:</p> <p>7. Disposals (including Leases of 21 years or more):</p> <p>8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:</p> <p>9. Leases/Licences (City as Landlord/Licensor):</p> <p>10. Leases/Licences (City as Tenant/Licensee):</p> <p>11. Easements (City as Grantor):</p> <p>12. Easements (City as Grantee):</p> <p>13. Revisions to Council Decisions in Real Estate Matters:</p> <p>14. Miscellaneous:</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p>Request/waive hearings of necessity delegated to less senior positions.</p> <p><input type="checkbox"/> Issuance of RFPs/REOIs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 Million.</p> <p><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.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).</p> <p><input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences</p> <p><input type="checkbox"/> (b) Releases/Discharges</p> <p><input type="checkbox"/> (c) Surrenders/Abandonments</p> <p><input type="checkbox"/> (d) Enforcements/Terminations</p> <p><input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates</p> <p><input type="checkbox"/> (f) Objections/Waivers/Cautions</p> <p><input type="checkbox"/> (g) Notices of Lease and Sublease</p> <p><input type="checkbox"/> (h) Consent to regulatory applications by City, as owner</p> <p><input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title</p> <p><input type="checkbox"/> (j) Documentation relating to Land Titles applications</p> <p><input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p>Request/waive hearings of necessity delegated to less senior positions.</p> <p><input type="checkbox"/> Issuance of RFPs/REOIs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input checked="" type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><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.</p> <p><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.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).</p> <p><input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences</p> <p><input type="checkbox"/> (b) Releases/Discharges</p> <p><input type="checkbox"/> (c) Surrenders/Abandonments</p> <p><input type="checkbox"/> (d) Enforcements/Terminations</p> <p><input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates</p> <p><input type="checkbox"/> (f) Objections/Waivers/Cautions</p> <p><input type="checkbox"/> (g) Notices of Lease and Sublease</p> <p><input type="checkbox"/> (h) Consent to regulatory applications by City, as owner</p> <p><input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title</p> <p><input type="checkbox"/> (j) Documentation relating to Land Titles applications</p> <p><input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds</p>

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:	Michael Thompson	Councillor:	
Contact Name:	Keisha Frances, EA	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 objections	Comments:	

Consultation with Divisions and/or Agencies

Division:	Transportation Services	Division:	Ciro Tarantino
Contact Name:	Lukasz Pawslawski	Contact Name:	Financial Planning
Comments:	No objections	Comments:	Comments have been incorporated

Legal Services Division Contact

Contact Name:	Jack Payne
---------------	------------

DAF Tracking No.: 2024-247	Date	Signature
Recommended by: Manager, Real Estate Services Vinette Prescott-Brown	October 7, 2024	Signed by Vinette Prescott-Brown
Recommended by: Director, Real Estate Services Alison Folosea	October 7, 2024	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input type="checkbox"/> Approved by: Patrick Matozzo	October 7, 2024	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Deputy City Manager, Corporate Services David Jollimore	October 7, 2024	Signed by David Jollimore

Appendix "A"

Major Terms and Conditions

	City Lands	New Road Lands
Land Value Estimates	\$3,680,794.20	\$ 3,181,638.30
Estimated Amount Payable to the City on closing, being the balance between above estimated values	\$ 499,155.90	
Final Value of Consideration	Commencing on the acceptance of the Agreement and annually thereafter up to and including the Closing Date, the value of the City Lands and the value of the New Road Lands shall be increased or decreased, as applicable, by an amount equal to the applicable land estimate multiplied by the aggregate percentage changes in multi-residential land values for development lands within 2 kilometers of Scarborough Town Centre, as published by CBRE in its annual reports for the Toronto commercial real estate market, averaged over the preceding five (5) year period, to a maximum of +7% or -7% per year.	
Soil & Groundwater Quality	Being sold "as is"	Being conveyed to the City meeting either the applicable MECP generic site conditions standard for the most environmentally sensitive adjacent land use or the property specific standards as approved by the MECP for a risk assessment management plan
Environmental Release	On closing, Owner shall sign a release with respect to any environmental liability regarding the City Lands and confirm it will not require the City to remediate or pay for remediation of any hazardous substances.	
Land Transfer Tax	Owner shall pay land transfer tax for the transfer of City Lands	City shall pay land transfer tax for the transfer of New Road Lands
Closing Date	30 days following City's delivery of a notice of satisfaction or notice of waiver of conditions set out in the Agreement	
Mutual Condition	<p>The obligation of the City and the Owner to complete the transactions under the Agreement is subject to and conditional upon the City providing all authority and enacting all by-laws to dedicate the New Road Lands as an open road and amending the City of Toronto Municipal Code to regulate the New Road Lands as an open road, effective as of Closing.</p> <p>If the Mutual Condition is not satisfied by March 31, 2025 then, unless the date is extended by the mutual agreement, the Agreement shall be at an end and each party shall be released from all obligations and liabilities.</p>	
City Conditions	The City's obligation to complete the Agreement is conditional upon: (i) the City enacting and registering a permanent road closure by-law effective as of Closing; (ii) the Owner commencing road construction within 5 years after acceptance of the Agreement; and (iii) the road construction required under the Section 37 Agreement being completed within 5 years after construction commencement. The conditional period for commencing road construction can be extended by the DCM, at their discretion, if requested by Owner 2.	
Owner Conditions	The Owner's obligation to complete the Agreement is conditional upon: (i) all internal and corporate approvals being obtained by March 31, 2025; (ii) the Section 37 Agreement being entered into and remaining in force; and (iii) all development and site plan approvals for the Owner's development being obtained by 5 years after the acceptance of the Agreement.	
City obligations	<p>Following the deposit of the draft plan, the City shall present the road closing by-law to the City Council for adoption, pursuant to SC33.41, within a reasonable period of time thereafter.</p> <p>Following closing, City staff shall request Council to approve any technical amendments to the by-laws dedicating the New Road Lands as an open road and if the amendments are approved, register such by-laws.</p>	

Owner obligations	The Owner shall construct the road on the New Road Lands to substantial completion, to the satisfaction of the City's Chief Engineer and Executive Director of Engineering & Construction Services. The road construction include the associated underground services (watermain, sanitary sewer and storm sewer) and utilities (lighting feed for the Metrolinx ticket vending machines and streetlights), and the road to include base asphalt and base curb to accommodate temporary Metrolinx bus bays and to construct the sidewalks on the east side of the re-aligned Borough Drive on the New Road Lands in accordance with and to the standards set out in the Section 37 Agreement. The construction shall not include the topcoat of asphalt, top curb, the sidewalks on the west side of the new road and required landscaping.
	The Owner to deactivate the sewer/watermain on City Lands no later than 10 days prior to closing. The City shall permit the Owner under a Licence Agreement to enter on City Lands to undertake this work at no fee.
	The Owner shall be solely responsible for making arrangements post-closing for the removal of utilities and/or services belonging to certain utility companies within the City Lands at its own cost.
Pension Requirements	Each of the Owner entities are owned directly by one or more registered pension plans and regulated by statute. Under these pension requirements, among other things, each Owner entity can only accept several, and not joint and several, liability for the Owner's obligations under the Agreement.
Construction Staging	If Owner 2 occupies part of the New Road Lands after closing for construction staging for its development, the City agrees to waive any right-of-way occupancy fees that would otherwise be payable under Municipal Code Chapter 441, Fees and Charges, for a maximum duration of one (1) year, commencing at any time within a five (5) year period following closing, up to a maximum amount of \$245,000.00 including HST (in 2022 dollars). Such occupancy will be subject to the requirements of Municipal Code, Chapter 743, Streets and Sidewalks, Use of,
Release of Easements	The City Lands are subject to certain easements which Owner 1 will assume on closing. If Owner 1 seeks to register a release of any such easement or part thereof following Closing, the City shall, at no cost or expense to it, subject to obtaining any necessary internal approvals and Owner 1 paying any applicable fees, cooperate with Owner 1 in obtaining any such release, including executing related documentation. The City also agrees, at no cost or expense to it, subject to obtaining any necessary internal approvals and Owner 1 paying any applicable fees, to cooperate with Owner 1 in the removal of any other registered interests that would restrict or otherwise impact Owner 1's proposed development of the City Lands, subject to the City's planning and development approval rights.
Assignment and Restructuring	<p>Owner 1 and Owner 2 may, without City consent, but with prior notice: (i) assign the Agreement to a third party purchaser of their lands, (ii) assign all or part of their interests in this Agreement to the other to reflect changes in ownership between Owner 1 and Owner 2 of the lands, (iii) assign all or part of their interests to an affiliate provided such affiliate is the owner of the applicable lands; and (iv) assign all or part of their interests to a third party partner provided such third party partner is an owner of all or part of the applicable lands.</p> <p>Owner 2 has the right to transfer all or part of the New Road Lands, including to a third-party purchaser, or restructure or reorganize legal and beneficial title to the New Road Lands, provided that such new nominee(s) or beneficial owners(s) assume this Agreement in whole or in part, as applicable. The predecessor nominee and/or beneficial owner shall be released from its obligations to the extent assumed by the new nominee or beneficial owner.</p>
Highway Closing Release and Indemnity	On closing, Owner 1 shall sign a release and indemnity in favour of the City with respect to any claims arising from the road closure.

Appendix "B"

Location Map



