

Proposed Real Property Bylaw – Section Descriptions

Proposed Bylaw Section	Description of Proposed Bylaw Section -including changes, rationale, benefits
1. TITLE	The Title of the Proposed Bylaw remains “The Real Property Bylaw”.
2. PURPOSE	<p>This section confirms the purpose of the Proposed Bylaw - to guide Administration’s delivery of real property transaction services that include land acquisition, dispositions, occupations (leasing and licensing) and other transactions such as land exchanges, utility rights of way, easements, and options).</p> <p>It specifically excludes the short-term permitting and licensing that are authorized through other City Bylaws, which define the service delivery of Business Units other than Real Estate & Development Services. The Green Line Board Bylaw includes similar guidance to the Proposed Bylaw relating to transactions required to support the Green Line Phase 1 project. However, its governance and delegated authorities are to employee positions on the Green Line project.</p>
3. DEFINITIONS	<p>Section 3 provides definitions of terms and employee positions within Administration that clarify interpretation and support the consistent delivery of transactions.</p> <p>New terms added or significantly updated include:</p> <p>“Authorized Employee” are those employees identified to perform a specific power, duty or function delegated by Council. The Proposed Bylaw itself now directly delegates Council’s authorities identified in Schedule A to employees defined in Section 3. This clearly identifies which positions are able to approve each type of transaction or rectification. Inclusion of Schedule A within the Bylaw avoids possibility of conflicting delegation letters, which are no longer kept by the City Clerk.</p> <p>Position Titles– these are the specific authorized employees referenced in Schedule. They include the current titles of General Manager of Infrastructure Services and Director, Managers and Land Titles Officer in RE&DS. New positions added include</p> <ul style="list-style-type: none"> • Coordinator positions in RE&DS authorized to approve minor rectifications to support completion of transactions. • Director Mobility and Manager, Traffic Mobility, who are authorized to approve telecommunications installations. <p>“Land Exchange” is defined to describe a transaction where The City could acquire and disposed of properties through one transaction. Currently it requires two transactions (an acquisition and a disposition).</p> <p>“Major Real Estate Undertaking” defines a new tool to allow Council to designate a City project requiring one or more acquisitions, dispositions, occupations of land exchanges as a major real estate undertaking. This provides the ability for Administration, under the delegated authorities of the Proposed Bylaw, to complete these real property transactions within the context and timelines of the project. (See also Section 14)</p>

	<p>“Market Value” – updated to reference “endorsement by the Valuation Review Committee” versus “verified”. This ensures consistency that both internal and external appraisals are reviewed with same rigor. Market value replaces the term “reserve consideration”, and will be used with future Methods of Dispositions, to support transactions that otherwise meet the conditions of the MOD but where the market value has decreased to that set in the reserve consideration. This will avoid Council approval simply to set a new reserve consideration, which will be the current market value.</p> <p>“Net Book Value” – added to reference and clarify use of The City’s current methods to value a tangible capital asset. This clarifies how net book value is defined when real property is disposed to wholly owned City subsidiaries (CMLC, Enmax, etc.) and to other orders of government.</p> <p>“Rectification” – this term is currently undefined. It is added to ensure clarity in understanding and application. Rectifications will continue to be used to process and document changes, additions, or deletions to a transaction approval to allow flexibility to completion a transaction. They will be approved under delegated authority.</p>
<p>4. INTERPRETATION</p>	<p>This section combines and reorganizes two sections of the current Bylaw, to clarify and assist with the interpretation and application of the Proposed Bylaw sections.</p>
<p>PART II - AUTHORIZATION OF TRANSACTIONS</p>	
<p>5. ACQUISITIONS</p>	<p>The maximum purchase price for real property allowed to be approved by delegated authority increases from \$5 million to \$10 million, where funding for the acquisition is available in a budget approved by Council. Acquisitions with a purchase price greater than \$10 million will require Council Approval.</p> <p>Clarity is added for the acquisition of options to purchase/repurchase, rights of first refusal and rights to first offer in The City’s favor. This was not clear in the current Bylaw, and some options were required to go to Council for approval. Detail is added regarding the type of option and rights, length of terms of those option and rights, the purchase prices for such options and fees, if any.</p>
<p>6. DISPOSITIONS</p>	<p>Section 6(1)(b) is added to allow Administration to support delivery of the Framework - Transacting with Non-Profit Organizations and Registered Charities below Market Value (approved in 2018) once a method of disposition is approved by Council. Currently such transactions must return to Council for approval.</p> <p>Section 6(2) is added to allow Administration to sell City land <u>without a Council Approved Method of Disposition (MOD)</u> only where the City land:</p> <ul style="list-style-type: none"> • is surplus to municipal needs • has been publicly marketed to provide opportunity for any interested party to bid, and • is sold at or above market value <p>This provision will allow The City to transact quicker with businesses who have responded to the public marketing and pay market value for The City land, without first requiring a Council approved MOD, as is currently required. It does not allow Administration to direct negotiate and sell to a single entity. Accountability is maintained through the tiered approval levels (Schedule A) and the market value being endorsed by the Valuation Review Committee (VRC).</p>

	<p>Section 6(3) is an updated section to provide clarity for Administration to direct negotiate for the sale of land to specific City entities and higher orders of government at market value up to \$10 million. It may also complete a transaction with these same parties at a below-market value if Council has previously approved direction through a MOD. The maximum purchase price for such a transaction is increased from five (5) million to \$10 million, which is consistent with other maximum thresholds set out in Proposed Bylaw. Approval of such transaction is tiered based on the purchase value, as shown in Schedule A.</p> <p>Section 6(4) is clarified to guide when Administration can direct negotiate the sale of City land with an adjacent landowner to help achieve a community outcome greater than the parcel itself could achieve. For example, it allows for the sale of a surplus City parcel as identified in a statutory plan approved by Council (ASP/ARP), of to allow the consolidation with other privately-owned parcel(s) to support a comprehensive redevelopment. Specific reference to “meets the City’s Triple Bottom Line objectives” has been removed. The ARP/ASP objectives are TBL informed and provide specific direction about the parcel, are publicly available, and the impact of those policies can be considered in a market value assessment. If additional TBL opportunities are identified as part of a negotiation and impact the purchase price, Administration would bring these to Council for approval of an MOD, including discussion of the additional information supporting the recommendation.</p>
<p>7. LAND EXCHANGES</p>	<p>New Section to provide clarity for Administration to consider and approve a Land Exchange, where The City both acquires and disposes of interests in property as part of one transaction. This will facilitate the negotiation and settlement with landowners who may want to minimize monetary compensation for the transaction or provide The City the opportunity to acquire other land needed for municipal purposes as part of the transaction.</p> <p>Since this new section allows for direct negotiations and does not require a method of disposition, tight restrictions were placed upon the dispositions of The City lands: 1. The City’s lands must be deemed surplus; 2. The City lands cannot exceed one (1) million dollars in market value; 3. the acquisition of a third party’s lands must be for municipal purposes and 4. funding for the land exchange must be available in a budget approved by Council. The market value of the third party’s lands may be up to ten (10) million dollars, to line up with the limits set out in the acquisitions section.</p>
<p>OCCUPATIONS</p>	
<p>8. General Occupations</p>	<p>Changes to General Occupations</p> <p>This section has been updated to add more flexibility for The City to enter into a wider variety of leases and licenses that The City is encountering, and to differentiate the direction and delegated authority permitted for each Occupation.</p> <p>Except where specifically noted below, the following changes to General Occupations will now apply:</p> <ul style="list-style-type: none"> • the maximum base rent for an occupation is increased from \$500,000 to \$1,000,000, which is consistent with other proposed changes and delegated levels of authority within the Proposed Bylaw.

	<ul style="list-style-type: none"> • the maximum length of a fixed term is increased from five (5) years to 15 years to support business needs of tenants and certainty of their investments. • The maximum number of renewals (2) and length of renewal up to 5 years is removed. Any number of renewals may be granted for any length of term, provided the total occupation (fixed term + extensions) does not exceed a total of 25 years. • The MGA does not identify below market value licenses as needing to be advertised. As such, licenses in this section are differentiated from leases with specific guidance added. Administration may approve a license at below market value to offset City capital investments, by passing these costs on to the licensee as part of the agreement. (e.g., property improvements). In all cases Administration will seek to achieve actual license fees received, including other benefits from the licensee, equivalent to market value license fees. <p>8(1)(b) New section created for licenses. It is broader and allows Administration to grant licenses for many purposes, including patios, parking, storage etc. This aligns with recent Council direction and increasing requests of business to use adjacent property to activate streets and communities.</p> <p>8(1)(c) Updating an existing section that allows The City to lease or license property back to the original owner following acquisition by The City. Currently only a one (1) year term is permitted. This is being increased up to 25 years to allow greater flexibility in negotiating acquisitions where a legal owner or tenant may wish to remain for a period of time until the land is required for The City purpose.</p> <p>8(1)(d) Updating existing section that allows Administration the ability to grant an overhold to a previous tenant or licensee. Removing the limit to one (1) year to allow for long overholding flexibilities.</p> <p>8(2)(a) Revised this section to provide flexibility to better address Occupations that The City may enter with other levels of government (Provincial, Federal and municipal), school boards and wholly owned subsidiaries of The City. It will allow The City to enter into long-term occupations with these entities for a nominal fee to allow them to carry out their services that benefit The City and citizens. An example of such an occupation would be agreements entered into with the Province for some of portions of our regional pathways on Provincial lands.</p> <p>8(2)(b) New section to provide flexibility for Administration to address Occupations with non-profit organizations at or below market value.</p> <p>8(2)(c) New section to provide flexibility for Administration to address Occupations to civic partners or a civic associate at or below market value. It allows an initial fixed term Occupation up to 25 years, with any number of extensions allowed, so long as the total occupation does not exceed 50 years.</p> <p>8(2)(d) New section to provide flexibility for Administration to better facilitate agreements for community associations and social recreation groups. This is not to replace the standard form community association or social recreation group leases and licenses, but to better help facilitate agreements for those groups when the situation calls for a non-standard agreement. Currently</p>
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	<p>non-standard agreements that exceed an initial term of 5 years require Council approval.</p> <p>8(2)(e) Due diligence provisions have been moved from General Approvals to the Occupations section as this section is more appropriate for these approvals. A maximum term of two years is also specified to complete any due diligence activities.</p>
9. Occupations Of Roads	<p>9(1) This section will continue to allow Administration to grant short-term licenses for use of public road rights-of-way. Added clarity that rates for these licenses, like with other licenses in the Proposed Bylaw, that license fees are to be in line with rates set by Real Estate & Development Services.</p> <p>9(2) New section to grant Administration authority to approve licensing of streets posts and lighting at below market value to local community and business groups for identity and holiday lighting purposes.</p>
10. Occupations For Telecommunication Installations	<p>10(2) This existing section is updated to allow Administration to grant licenses for telecommunications infrastructure for a fixed term of 15 years, with extensions allowed to a maximum of 25 years. This could include licensing City property for a cell phone tower once it meets planning and development approvals.</p> <p>10(2) is a new section added to differentiate telecommunications installations on City land (11(1) above) and those that are attached directly to City streetlight standards within City roadway. This is specifically added to support the licensing of up to 10,000 upcoming applications from wireless service providers for 5G network equipment to be mounted on and at the base of streetlight poles. The authorized employees for these transactions will now be the Mobility Business Unit Director and Manager, as identified in Schedule A to the Proposed Bylaw. This special delegation outside the RE&DS Business Unit is recommended to coordinate the Mobility's technical review and the licensing approvals. RE&DS will continue to support Mobility with the Master License Agreement between The City and the applicants.</p>
11. Occupations For Signs	<p>This section 11 has been changed to allow for longer fixed terms for all signs from five (5) years to 10 years, with the ability for any number of renewals that do not exceed a total license term of 25 years.</p> <p>11(b) and 11(c) - these sections are added to differentiate between community association signs (non-profit) and community identification signs (developer or residents association). This is to reflect the ability for Administration to provide below market value licenses to community associations or non-profit organizations and at or above market valuations to the private land developers when they develop a new community and establish a residents' association.</p>
12. Occupations For Film	<p>New Section added specifically to allow Administration to respond quicker to requests from the film industry to use The City's streets, parks and buildings for film production. While these are generally shorter-term licenses, the Proposed Bylaw would allow Administration to approve the licensing of land or facility for up to 5 years. This supports Council's Film Friendly initiative.</p>

<p>13. Surrender Of An Occupation</p>	<p>Section 13 is clarified to apply to situations where The City is either the Landlord or the Tenant. The value of the surrender or partial surrender is increased from \$500,000 to \$1,000,000 to align with other increases in the Proposed Bylaw.</p>
<p>14. MAJOR REAL ESTATE UNDERTAKINGS</p>	<p>This section has been added to the Proposed Bylaw to provide greater flexibility to City infrastructure projects requiring complex real property transaction solutions (typically acquisitions, land exchanges, etc.).</p> <p>It will allow City infrastructure projects that have been designated by Council as a major real estate undertaking to exercise the authorities granted in the Proposed Bylaw by delegating decision making and approving authorities to specific employees to carry out a full range of transactions services and approvals that are directly tied to successful delivery of that Project. This section is developed from learnings from the Green Line Phase 1 project.</p>
<p>15. EXPROPRIATIONS</p>	<p>This is an update to the current Expropriation guidance, to add further authorities to allow Administration to complete all negotiations and make settlements on expropriations up to the terms and values approved by Council through the initiation of expropriation.</p> <p>Once Council has approved the initiation of expropriation proceedings, more flexibility is being delegated to Administration to adjust the interests being acquired (e.g., area of land or other interests such as leases), but any adjustment in interests being acquired will never exceed what was originally approved by Council. It will also allow Administration to negotiate proposed payments and settlements by removing caps on the value of those payments. Any amounts proposed to be paid must be in a budget or funding source approved by Council and would only be amounts an owner is reasonably entitled to receive under the Expropriation Act, provided such payments are reviewed and endorsed by the Valuation Review Committee.</p>
<p>16. OTHER TRANSACTIONS</p>	<p>Section 16(1) authorizes Administration to approve of additional transactions relating to the management of The City's real property, where the purchase price or consideration will not exceed ten (10) million dollars, where The City is not subject to a financial obligation that exceeds one (1) million dollars and funding is available in a budget approved by Council. This new section provides flexibility for Administration to approve of other transactions not contemplated in the Proposed Bylaw, but still within the limits set out within the rest of the Proposed Bylaw.</p> <p>New guidance is added to allow Administration to approve of land dispositions at a below market price where the value of the parcel is less than \$25,000, and The City has received no objections from publicly advertising the below market sell. This will support the disposition of The City's remnant parcels to adjacent landowners, to reduce ongoing maintenance obligations and to support the assessment base. It will help accommodate some no-build restrictive covenant dispositions that fall below a market value, again where the market value of the land is less than \$25,000 and there are no objections from the public during required advertisement periods.</p>
<p>17. COMPENSATION</p>	<p>This new section provides Administration with some flexibility to negotiate other components of a transaction that involve an aspect of financial compensation. The City now has more flexibility to reimburse for reasonable professional, legal, broker/realty fees etc. as well as pay for other services,</p>

	up to \$500,000, to help facilitate transactions (e.g., landscaping, fencing etc.). Additionally, The City can add additional financial compensation up to \$500,000 to help incentivize more difficult transactions where The City is trying to acquire lands.
PART III - MISCELLANEOUS	
18. MANAGEMENT REAL ESTATE REVIEW COMMITTEE	The titles of employees who make up quorum on the Management Real Estate Review Committee are updated for consistency with current organization and definitions in Section 3.
19. RECTIFICATIONS, COMPLETION OF AND ADMINISTRATION OF REAL PROPERTY TRANSACTIONS	Section clarified to grant authorized employees the ability to correct unintentional errors and minor changes in land reports, land authorization forms agreements and documents, consistent with the intent of the original transaction approval.
20. RECTIFICATIONS, COMPLETION OF AND ADMINISTRATION OF REAL PROPERTY TRANSACTIONS	<p>This section defines the limits of what an authorized employee may approve by rectification to facilitate the negotiation, completion, and administration of a transaction. The changes must be consistent with the intent of the original approval and the following terms:</p> <ul style="list-style-type: none"> • The financial obligation limit is increased from \$500,000 to \$1,000,000. • The purchase price is not below market value • The base rent is not below market value or license fee is in line with rates set by Real Estate & Development Services • The maximum transaction date extension is increased from one (1) to five (5) years. <p>The Proposed Bylaw specifically provides guidance to allow Administration to consider rent forgiveness and temporary rent relief in event of a rapid onset crisis that impacts prevailing market conditions, construction impacts that affect business viability. The recent COVID19 pandemic and requirement for reporting and approval of Council is an example of this.</p>
21. LAND AUTHORIZATION FORMS AND REPORTING	<p><u>Land Authorization Forms</u> This Section expands the current use of the Land Authorization Form (LAF) by providing more transactions that can now be approved by way of LAF. This will allow for more efficient processing and documentation of these frequent, low risk transactions and quicker approvals by the authorized employee identified in Schedule A.</p> <p>One of the major additions was the ability to approve of all transactions for major real estate undertakings by way of LAF. This is in line with how approvals are done for Green Line and will help accommodate much quicker approvals for these undertakings that often require faster timelines than regular projects. Some of other transactions added to the LAF list include:</p> <ul style="list-style-type: none"> • Licenses up to five (5) years can now be approved (previously one (1) year) • Land exchanges involving only a remnant parcels (these are usually very straight forward – land exchanges involving any stand-alone parcel must still be approved by land report) • Film licenses longer than 90 days and up to five (5) years <p><u>Reporting</u> Will require Administration to continue to document reports on transactions approvals and completions through use of delegated authority of this Proposed Bylaw. This reporting will be to Management Real Estate Review</p>

	Committee. Quarterly reporting to Council through the SPC on Infrastructure and Planning Committee will be discontinued. However, these reports will be available to members of Council upon request.
22. APPROVALS BY EMAIL	<p>This new section will allow approvals by email for specific, time-sensitive transactions and rectifications that facilitate the administration of files and property management decisions. They are for lower risk, operational changes needed to facilitate the completion of a transaction, or to grant a short-term occupation of City property. This will also help facilitate urgent requests for some short-term licenses, such as film industry licenses with a term of 90 days or less and other licenses with a term of 30 days or less.</p> <p>Administration is developing internal guidelines and documentation standards for approvals by email.</p>
23. LIMITATIONS	<p>This new section adds clarity to the interpretation of the Proposed Bylaw and sets expiry dates for various types of approvals.</p> <p>This guidance was not in the current Bylaw, and often relied on Admin interpretation, which could be inconsistent or challenged. This ensures guidance is clear and application is consistently applied.</p>
MANAGEMENT OF THE CITY’S REAL PROPERTY	
24. Guidelines, Procedures and Standards	This section identifies the General Manager of Infrastructure Services as able to approve internal processes, guidelines and standards that support Administration to manage workflows, file processes, documentation, internal reporting, etc. All guidelines, procedures and standards must align to the authorities defined by the Proposed Bylaw and cannot re-interpret or change sections of the Proposed Bylaw. Such changes would have to be addressed through a bylaw amendment and Council approval.
25. Land Titles Registration and General Administrative Authority	This section reorganizes and updates current direction guiding how Land Title registrations are managed by Administration.
26. EXECUTION OF DOCUMENTS AND AGREEMENTS	<p>This revised section adds exceptions to the Executions of Contracts Bylaw 43M99 allowing more authorized employees to execute agreements and documents related to real property transactions.</p> <p>26(2) is has been updated to accommodate any electronic execution.</p> <p>Notwithstanding this, current RE&DS internal processes allow only for “wet” signatures on formal agreements or documents, but this process is being updated. Once updated, the Proposed Bylaw will already accommodate such changes.</p>

GENERAL PROVISIONS	
27. City Manager Authorized Employee	<p>The list of positions to which the City Manager may delegate authorities through the Delegation of Authority Letter is removed, as they are all included within the Proposed Bylaw Schedule A.</p> <p>This Section confirms the City Manager as able to approve any of Council's delegated authorities defined in the Proposed Bylaw.</p>
28. Repeal	<p>This Section formally recognizes the repeal of Bylaw 52M2009 so there is no confusion between Bylaws going forward.</p>
29. Conflict Between this and Other Bylaws	<p>Wording is updated and continues direction of the current Bylaw. In the event of a conflict between the Proposed Bylaw and any other Bylaws previously passed by Council the Proposed Bylaw will prevail.</p>
30. Transitional Provision	<p>This section adds clarity that once the Proposed Bylaw is in effect, it will govern approvals going forward and any previous approvals will need to follow the new requirements in the Proposed Bylaw should such previous approvals require any rectification.</p>
31. Effective Date	<p>An Effective Date is proposed for 2022 November 01. This provides allows four weeks following Council approval of Third Reading of the Proposed Bylaw to allow RE&DS to finalize its transaction processing, reporting templates and provide final training based to implementers and decision approvers.</p>