

**DELEGATED APPROVAL FORM
CHIEF CORPORATE OFFICER
DIRECTOR OF REAL ESTATE SERVICES**

TRACKING NO.: 2016-064

Approved pursuant to the Delegated Authority contained in Executive Committee Item EX43.7 entitled "Delegation of Authority in Certain Real Estate Matters" adopted by City Council on May 11 and 12, 2010 (Confirmatory By-law No. 532-2010, enacted on May 12, 2010), as amended by GM24.9 entitled "Minor Amendments to Delegation of Authority in Certain Real Estate Matters" adopted by City Council on October 8, 9, 10 and 11, 2013 (Confirmatory By-Law No. 1234-2013, enacted October 11, 2013), as amended by DAF 2013-307 and DAF 2014-087; and further amended by EX44.22 entitled "Strategic Property Acquisitions" adopted by City Council on August 25, 26, 27 and 28, 2014 (Confirmatory By-law No.1074-2014, enacted on August 28, 2014).

Approved pursuant to the Delegated Authority contained in Executive Committee Item EX33.44 entitled "Union Station Revitalization Implementation and Head Lessee Selection" adopted by City Council on August 5 and 6, 2009. City Council confirmatory By-law No. 749-2009, enacted on August 6, 2009.

Prepared By:	Nick Simos	Division:	Real Estate Services
Date Prepared:	March 11, 2016	Phone No.:	416-392-7120

Purpose
To obtain authority to enter into a surrender of lease agreement with Witteveen Meats Ltd. (the "Tenant") of Store No. 27 (the "Leased Premises"), located on the ground level of the South St. Lawrence Market (the "Market"); a new lease agreement with SK Quality Meats Inc. c.o.b. as Witteveen Meats Ltd. (the "New Tenant") for the Leased Premises; and an indemnity agreement with Sainuddeen Kanichirakal in favour of the City.

Property
South St. Lawrence Market – Store No. 27
92-95 Front Street East, Toronto, ON M5E 1C3

Actions

- Authority is granted to enter into:
 - a surrender of lease agreement (the "Surrender") with the Tenant;
 - a new lease agreement (the "Lease") with the New Tenant in respect of the Leased Premises, substantially on the terms and conditions set out herein; and
 - an indemnity agreement with Sainuddeen Kanichirakal, as inducement for the City to enter into the Lease.
- The Chief Corporate Officer, or her successor or designate, shall administer and manage the Lease including the provision of any consents, certificates, approvals, waivers, notices and notices of termination, provided that the Chief Corporate Officer may, at any time, refer consideration of such matters to City Council for its determination and direction.
- The appropriate City Officials are authorized and directed to take the necessary action to give effect thereto.

Financial Impact
The City will receive semi-gross rent from the New Tenant of: (i) \$60.55 per square foot per annum, prorated for the period from the beginning of the Lease term on June 1, 2015 to December 31, 2015; and (ii) \$63.58 per square foot per annum commencing on January 1, 2016, subject to a 5% increase on January 1 of every subsequent calendar year during the term of the Lease.

The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.

Comments
The St. Lawrence South Market has been operated by the City of Toronto as a food market since 1903. Currently, 64 different tenants occupy approximately 47,000 square feet of rentable space in the Market.

Douglas Witteveen has operated his business, Witteveen Meats Ltd., in the Market for almost 10 years, since 2006. Mr. Witteveen is planning to retire and would like to sell his business. His current Manager, Sainuddeen Kanichirakal, has entered into an agreement to purchase the business from Mr. Witteveen (the "Purchase Agreement"). Mr. Kanichirakal proposes to run the business under the same name (Witteveen Meats Ltd.), and has committed to make certain leasehold improvements which are acceptable to St. Lawrence Market Management. Mr. Kanichirakal is the Director and authorized signing officer of the corporation SK Quality Meats Inc.

In order to satisfy the terms of the Purchase Agreement, the City shall enter into a surrender of lease agreement with the Tenant, and then shall enter into a new lease agreement with the New Tenant, incorporating current market terms and conditions. The New Tenant is agreeable to this arrangement.

Terms
See page 4 for main terms and conditions.

Property Details	Ward:	28 – Toronto Centre-Rosedale
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	1,239.29 square feet
	Other Information:	

A.	Director of Real Estate Services has approval authority for:	Chief Corporate Officer has approval authority for:
<p>1. Acquisitions:</p> <p>2. Expropriations:</p> <p>3. Issuance of RFPs/REOs:</p> <p>4. Permanent Highway Closures:</p> <p>5. Transfer of Operational Management to ABCDs:</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 \$1 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p>Delegated to a more senior position.</p> <p><input checked="" type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$1 Million;</p> <p><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.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> (b) When closing road, easements to pre-existing utilities for nominal consideration.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and may include increase not to exceed the amount of the original decision by the lesser of 10 per cent and \$500,000).</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 checked="" type="checkbox"/> (c) Surrenders/Abandonments;</p> <p><input type="checkbox"/> (d) Enforcements/Terminations;</p> <p><input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/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 \$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"/> Issuance of RFPs/REOs.</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 ABCDs.</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 six (6) months, including licences for environmental assessments and/or testing, etc.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p>Delegated to a less senior position.</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 may include increase not to exceed the amount of the original decision by the lesser of 10 per cent and \$1 Million).</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/Estoppels/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. Chief Corporate Officer and Director of Real Estate Services each has signing authority on behalf of the City for:

- 1. Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.
- 2. Expropriation Applications and Notices following Council approval of expropriation.
- 3. Documents required to implement the delegated approval exercised by him.

Chief Corporate Officer also has approval authority for:

- Leases/licences/permits at Union Station during the Revitalization Period, if the rent/fee is at market value.

Consultation with Councillor(s)																	
Councillor:	Pam McConnell						Councillor:										
Contact Name:	Tom Davidson						Contact Name:										
Contacted by:	X	Phone		E-Mail		Memo		Other	Contacted by:		Phone		E-mail		Memo		Other
Comments:	Concurs						Comments:										
Consultation with ABCDs																	
Division:	Financial Planning						Division:										
Contact Name:	Filisha Mohammed						Contact Name:										
Comments:							Comments:										
Legal Division Contact																	
Contact Name:	Nicole See-Too																
DAF Tracking No.: 2016-064				Date				Signature									
Recommended by: Nick Simos, Manager				May/25/2016				Sgd.\ Nick Simos									
<input type="checkbox"/> Recommended by: Director of Real Estate Services Joe Casali				May/25/2016				Sgd.\ Joe Casali									
<input checked="" type="checkbox"/> Approved by:																	
<input type="checkbox"/> Approved by: Chief Corporate Officer Josie Scioli								X									

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.
- (b) Where approving power has been delegated to staff, the Chief Corporate Officer, in consultation with the 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 is available from alternative sources].
- (e) Property interests are to be based on appraised value, and no interest shall be granted at less than market value unless otherwise specifically authorized.
- (f) Authority to approve transactions at less than market value 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.
- (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 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, 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.
- (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, 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) This delegation does not affect sales, acquisitions and leases over which the Affordable Housing Committee has responsibility.
- (aa) 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.
- (bb) All residential leasing documents shall adhere to the *Residential Tenancies Act* and any successor legislation.
- (cc) Despite GC(n), Approving Authority in residential leasing matters is not limited to periods of less than twenty-one (21) years.

Main Terms and Conditions

The Surrender with the Tenant provides that:

1. the terms of the Tenant's lease with the City are in good standing. Staff confirm that the Tenant is not in default;
2. upon execution of the Surrender, all rights of both parties are extinguished and each party releases the other; and
3. upon execution of the Surrender, the City will regain the demised premises formerly leased to the Tenant.

The Lease with the New Tenant provides for the following main terms and conditions:

1. Tenant: SK Quality Meats Inc. c.o.b. as Witteveen Meats Ltd.
2. Leased Premises: 1,239.29 square feet (Store No. 27)
3. Term: June 1, 2015 to December 31, 2019 with no option to extend
4. Semi-gross rent:
 - a. \$60.55 per square foot per annum, prorated for the period from June 1, 2015 to December 31, 2015; and
 - b. \$63.58 per square foot per annum commencing on January 1, 2016, subject to a 5% increase on January 1 of every subsequent calendar year during the Term
5. Use: Sale, at retail and wholesale, of fresh and frozen meats including beef, pork, and chicken, as well as ancillary products such as smoked meats. The New Tenant may also sell up to two (2) souvenir items at any one time, provided that both the New Tenant's trade name and the St. Lawrence Market name are displayed on any such products.

The indemnity agreement with Sainuddeen Kanichirakal (the "Indemnifier") provides that:

1. the Indemnifier shall pay all rent, charges, and any other amounts payable by the New Tenant under the Lease;
2. the Indemnifier shall promptly perform and complete all of the terms, covenants, and conditions to be kept, observed, and performed by the New Tenant under the Lease;
3. the Indemnifier shall indemnify and save harmless the City from any loss, costs, or damages resulting from any default by the New Tenant under the Lease