

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

TRACKING NO.: 2016-112

<input checked="" type="checkbox"/>	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).		
<input type="checkbox"/>	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:	Daran Somas	Division:	Real Estate Services
Date Prepared:	September 9, 2016	Phone No.:	(416) 397 – 7671
Purpose	To obtain approval for the City to exercise its option to renew its existing lease and enter into renewal agreement (the "Agreement") with 690981 Ontario Limited (the "Landlord") for the continued use of the premises within the building municipally known as 2340 Dundas to provide a variety of clinical services to the community and an operational center for Toronto Public Health for an additional five (5) year term.		
Property	2340 Dundas Street West, Toronto, Ontario, as more specifically shown on Schedule "A" attached hereto		
Actions	<ol style="list-style-type: none"> 1. Authority be granted to approve the City to enter into the fourth lease extension and amending agreement (the "Agreement") with 690981 Ontario Limited (the "Landlord"), subject to the terms and conditions outlined in page 4, and any other terms deemed appropriate by the Chief Corporate Officer and in a form acceptable to the City Solicitor; 2. The Chief Corporate Officer or designate administer and manage the Agreement including the provision of any consents, approvals, waivers, notices and notices of termination provided that the Chief Corporate Officer may, at any time, refer consideration of such matter to City council for its determination and direction; and 3. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto. 		
Financial Impact	<p>The total cost to the City for the gross rent of this renewal and parking will be approximately, \$4,743,000.00. Funding for the 2017-2021 term will be included in the respective years' Toronto Public Health operating budget submission and accommodated within the approved operating targets.</p> <p>The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>For many years, the City of Toronto has occupied space within the facility known as "The Crossways" located at the intersection of Bloor Street West and Dundas Street West, for the purposes of establishing a Public Health Office in the City's west end. The original five year lease term began on July 1, 1987. The lease was subsequently renewed several times, and amended to take on additional space. In 2001, under the delegated authority of DAF 2001-082 the existing lease was surrendered in favour of a new 10 year Lease for a newly renovated and expanded Premises with a rentable area of approximately 33,900 sq.ft.</p> <p>City Council on November 29, 2011 adopted GM9.7 to approve the an extension of the lease for a period of 5 years beginning December 14, 2011 and expiring December 13, 2016 together an option to renew the Lease for a further term of five years at predetermined rental rates.</p> <p>Council has authorized in principal the terms and conditions of this renewal, this Delegated Approval form is for the City to approve exercising its option to renew. Toronto Public Health confirms that these premises are required and supports the City entering into the Agreement</p> <p>The Premises were declared a municipal capital facility pursuant to Item GM19.3 adopted by City Council at its meeting of December 1, 2008.</p> <p>Real Estate Services staff consider the terms and conditions of Agreement, to be fair and reasonable and at market.</p>		
Terms	For major terms and conditions, see page 4		
Property Details	Ward:	05 – Etobicoke – Lakeshore	
	Assessment Roll No.:	191-01-5-030-0000	
	Approximate Size:	33,900 sq.ft (3149.41 m ²)	
	Approximate Area:		
	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 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 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 checked="" 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:	Gord Perks					Councillor:			
Contact Name:	Karen Duffy					Contact Name:			
Contacted by:	Phone	E-Mail	Memo	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:	Consent					Comments:			
Consultation with ABCDs									
Division:	Toronto Public Health					Division:	Financial Planning		
Contact Name:	Maureen Drayton					Contact Name:	Filisha Mohammed		
Comments:	Consent					Comments:	Consent		
Legal Division Contact									
Contact Name:	Barbara Cappell								
DAF Tracking No.: 2016 - 112					Date		Signature		
Recommended by: Manager: Wayne Duong									
<input checked="" type="checkbox"/>	Recommended by: Director of Real Estate Services				Sept/15/2016		Sgd.\ Joe Casali		
<input type="checkbox"/>	Approved by: Joe Casali								
<input checked="" type="checkbox"/>	Approved by: Chief Corporate Officer				Sept/19/2016		Sgd.\ Josie Scioli		
<input type="checkbox"/>	Approved by: Josie Scioli								

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.

Major Terms and Conditions of the Renewal

- Landlord:** 690981 Ontario Limited
- Tenant:** City of Toronto, (Toronto Public health)
- Premises:** 33,900 square feet of leased space on the ground floor plus 1,040 square feet on the basement level, Unit G - 42.
- Term:** Five (5) years commencing on December 14, 2016 and expiring on December 13, 2021
- Gross Rent:** Breakdown below;
- Year 1 – \$25.00 per square foot or \$847,500.00 per annum or \$70,625.00 per monthly
 Year 2 – \$25.50 per square foot or \$864,450.00 per annum or \$72,037.50 per monthly
 Year 3 – \$26.00 per square foot or \$881,400.00 per annum or \$73,450.00 per monthly
 Year 4 – \$26.50 per square foot or \$898,350.00 per annum or \$74,862.50 per monthly
 Year 5 – \$27.00 per square foot or \$915,300.00 per annum or \$76,275.00 per monthly
- For a total of \$4,407,000.00. No Minimum Rent is payable for the premises on the basement level.
- Parking Costs:** 80 reserved spaces at a rate of \$70.00 per stall per month plus HST for a total annual cost of \$67,200.00 or \$336,000.00 for the term along with 20 space free of charge for a total of 100 parking spots.

Schedule A
Site Location Map



Schedule B
Ariel View

