

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

TRACKING NO.: 2016-044

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 (City Council 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 (City Council confirmatory By-Law No. 1234-2013 enacted October 11, 2013), as amended by DAF 2013-307 and DAF 2014-087.

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:	February 18, 2016	Phone No.:	(416) 397 – 7671

Purpose	To obtain authority to enter into a lease agreement (the "Agreement") with Anduhyaun Inc. (the "Landlord") for a term of five (5) years and five (5) months, for the use of approximately 7,350 square feet of space (the "Premises") comprising part of the property municipally known as 1296 Weston Road, for the purpose of operating a child care centre.
Property	1296 Weston Road, Toronto, Ontario, as shown on Schedules "A" and "B" attached hereto
Actions	<ol style="list-style-type: none"> 1. Authority is granted to enter into the Agreement with the Landlord for a term of five (5) years and five (5) months, commencing on March 1, 2016 and ending on July 31, 2021 (the "Term"), for the use of the Premises, substantially on the terms and conditions outlined herein and on such other terms as may be deemed appropriate by the Chief Corporate Officer and in a form acceptable to the City Solicitor. 2. The Chief Corporate Officer, or her successor or designate, shall 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. 3. The appropriate City Officials are authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>Metrolinx will provide funding for: (i) all renovations, alterations, and capital improvements necessary to make the Premises suitable for the City's use – approximately \$550,000.00; (ii) base and additional rent for the first 3 years of the Term; (iii) the Landlord's qualifying legal expenses to a maximum of \$2,500.00 plus HST; and (iv) the costs of conducting an environmental assessment of the Premises. The Metrolinx funding will be drawn from account 99000055.</p> <p>The total rent for the Term of the Agreement will be approximately \$395,880.60 plus HST, or \$73,085.65 plus HST per annum, which includes both base and additional rent. The net base rental rate per year shall be \$5.00 per square foot of indoor space, and the additional rent is estimated to be \$11.01 per square foot. Should the City choose to exercise its option to extend the Term for an additional year, the total cost for the extended term would be \$74,547.36 plus HST.</p> <p>The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>Hollis Early Learning Child Care Centre (ELCCC), located at 1 Hollis Street, is operated by Toronto Early Learning and Child Care Services. The property at 1 Hollis Street is required by Metrolinx for the new Mount Dennis Station entrance as part of the Master Plan associated with development of the Eglinton Crosstown Transit Corridor. Metrolinx is seeking a closing date in the Third Quarter of 2016, which means a permanent replacement site for Hollis ELCCC will not be ready in time. In the meantime, a swing space or temporary location at 1296 Weston Road will accommodate and provide seamless care to families that bring their children to Hollis ELCCC.</p> <p>The property at 1296 Weston Road, which is owned by Anduhyaun Inc., has been chosen as the temporary location for the Hollis ELCCC. Anduhyaun Inc. is a non-profit housing building built in 1988 with a purpose built child care centre incorporated into the second floor plan. The former child care operator left the Premises some time ago, and the space has since remained empty. The Premises will need to be renovated before they are suitable for the City's use, and Metrolinx will be providing funding for these renovations.</p> <p>Real Estate Services staff have reviewed the rent and other terms and conditions of the Agreement and are satisfied that they are fair, reasonable, and reflective of market value.</p>
Terms	See page 4 for major terms and conditions.

Property Details	Ward:	11- York South-Weston
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	7,350 sq.ft
	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 checked="" 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 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:	Frances Nunziata					Councillor:				
Contact Name:	Jennifer Cicchelli					Contact Name:				
Contacted by:	Phone	E-Mail	Memo	X	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:	Consent					Comments:				
Consultation with ABCDs										
Division:	Children Services					Division:	Financial Planning			
Contact Name:	Anne Longair					Contact Name:	Filisha Mohammed			
Comments:	Consent					Comments:	Consent			
Legal Division Contact										
Contact Name:	Nicole See-Too/Soo Kim Lee									
DAF Tracking No.: 2016 - 044			Date			Signature				
Recommended by: Manager: Wayne Duong			Feb. 18, 2016			Sgd.\Wayne Duong				
<input type="checkbox"/>	Recommended by: Director of Real Estate Services Joe Casali			Feb. 26, 2016			Sgd.\Joe Casali			
<input checked="" type="checkbox"/>	Approved by:									
<input type="checkbox"/>	Approved by: Chief Corporate Officer Josie Scioli									

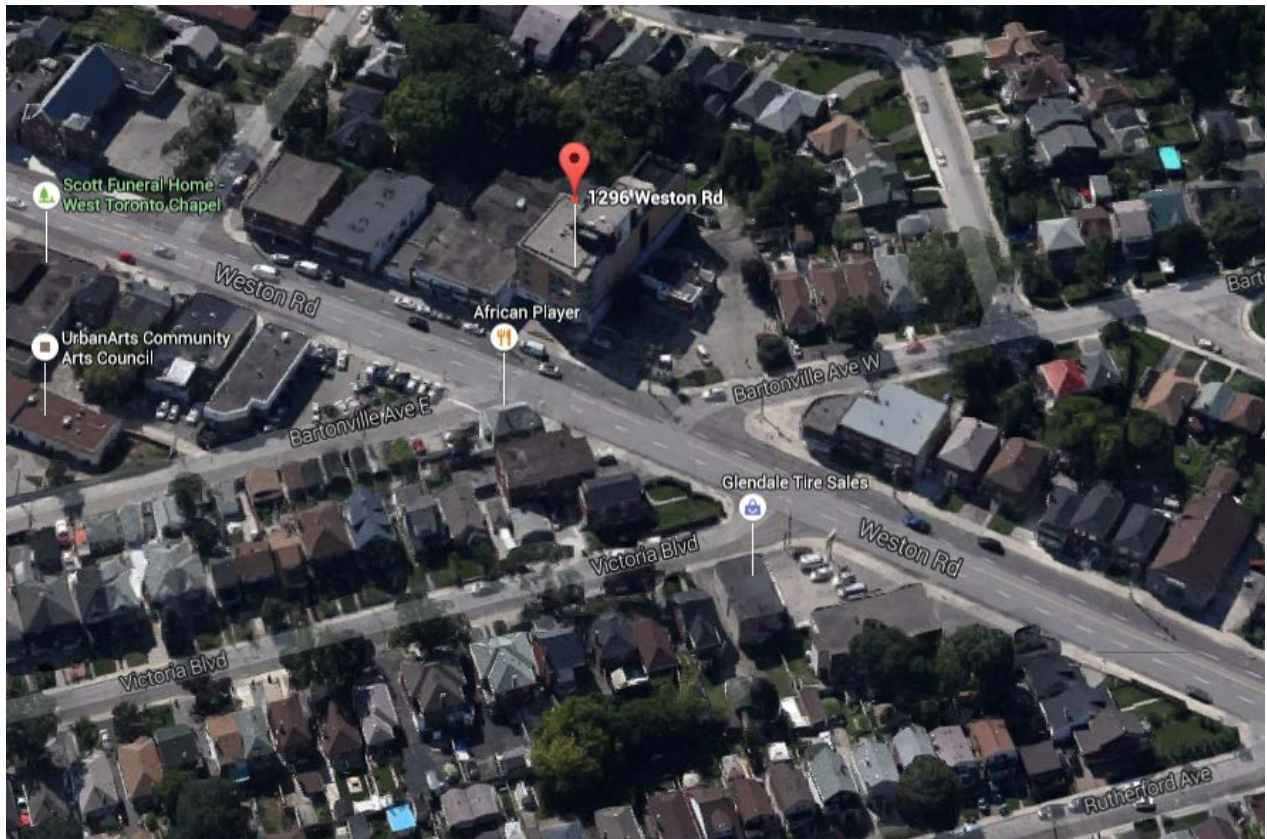
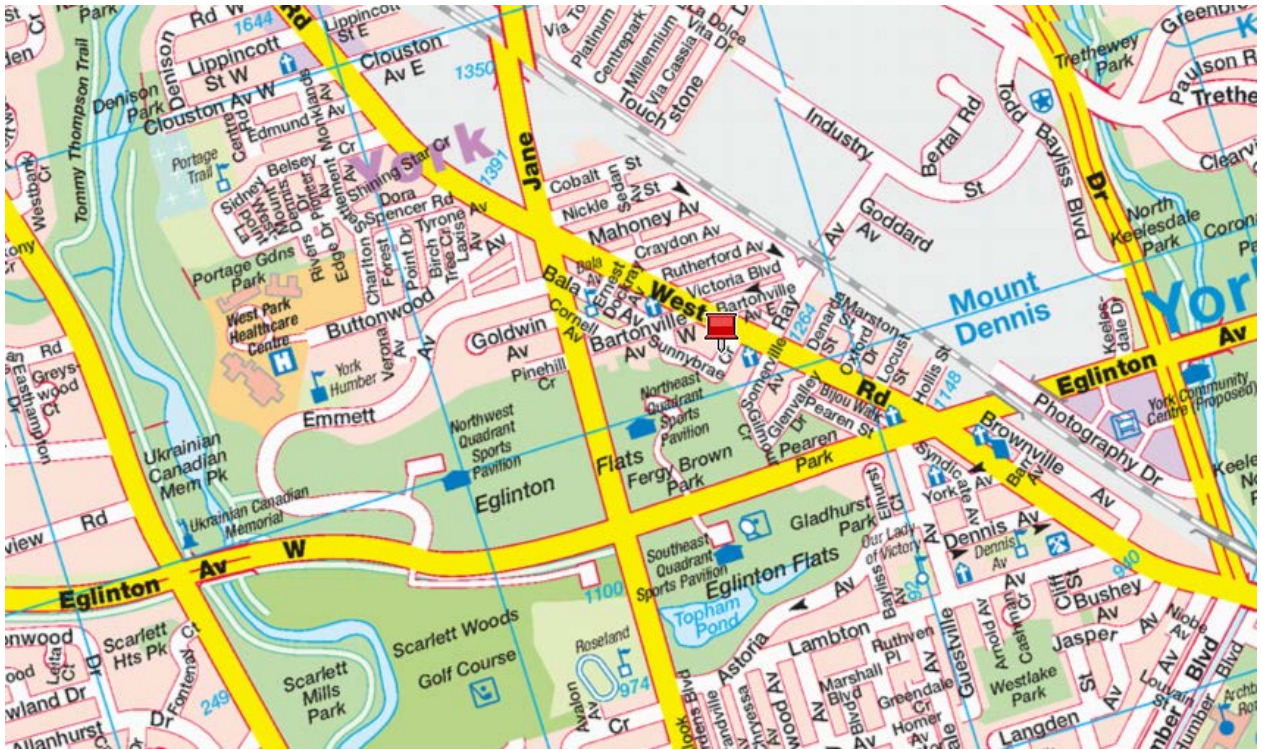
General Conditions ("GC")

- (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

Leased Premises:	Approximately 7,350 square feet, comprised of 4,565 square feet of indoor space on the 2 nd floor of the building at 1296 Weston Road and 2,785 square feet of outdoor space
Use:	Operation of a licensed child care centre
Basic Rent:	\$22,825.00 per annum (\$5.00 per square foot x 4,565 square feet) plus HST, payable in equal monthly installments in advance of \$1,902.08 plus HST
Operating Costs:	The City shall be responsible for the City's proportionate share of all real property taxes and all maintenance, utilities, and operating costs. Operating costs are estimated at \$50,260.65 plus HST per annum (\$11.01 per square foot x 4,565 square feet).
Qualifying Legal Expenses:	The City shall pay the Landlord's qualifying legal expenses up to a maximum of \$2,500.00 plus HST, for fees and/or disbursements proven to have been charged to the Landlord by the Landlord's solicitor in respect of the Agreement.
Term:	Five (5) years and five (5) months
Extension Option:	The City shall have the option to extend the Term for one (1) year (the "Extended Term") by providing at least six (6) months' prior written notice. The Extended Term shall be on the same terms and conditions as the Term except for basic rent, which will be increased by 2% to adjust for inflation, and except for any further right to extend the Term.
Early Termination:	The City may terminate the Agreement at any time upon 90 days' prior written notice.
Environmental Assessment:	Upon approval of this transaction by the relevant City authorities and the securing of funding from Metrolinx, the City shall conduct an environmental assessment of the Premises to be completed within 120 days. If there are matters to be remediated, the City will request that the Landlord complete such remediation at its cost. If the Landlord refuses, the City can either complete such remediation itself, or terminate the transaction.
Alterations and Capital Improvements:	Subject to the Landlord's consent, the City may make renovations, alterations, and capital improvements to the property as deemed necessary for the City's use of the Premises. All such work shall be performed between the hours of 7:00 a.m. and 7:00 p.m. daily. If work needs to be done outside of said hours, the City shall obtain the Landlord's written consent and make reasonable efforts to reduce any noise caused by the work.
Restoration of Premises:	Upon expiry or early termination of the Agreement, the City if requested by the Landlord shall remove any renovations, alterations, and capital improvements from the Premises so as to restore the Premises to a state as close as reasonably possible to their original state before the Term commenced.

Schedule "A"
Location Map – 1296 Weston Road



Schedule "B"
Sketch of Premises

