

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

TRACKING NO.: 2016-223

<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:	Derek Wei	Division:	Real Estate Services
Date Prepared:	September 30, 2016	Phone No.:	416 392 1259
<b>Purpose</b>	To obtain authority to enter into a lease agreement (the "Agreement") between the City of Toronto (the "Landlord"), and Network Child Care Services (the "Tenant"), for the premises located at 120 Via Bagnato (the "Premises"), shown as Subject Property on Schedule "A" – Location Map (refer to page 5) for a period of twenty (20) years (the "Term") commencing on or about October 1st, 2016 for use of a children's day care facility.		
<b>Property</b>	The entire building municipally known as 120 Via Bagnato, which includes approximately 6,674 square feet of rentable area. (See page 5 for Schedule "A" Location Map, and Schedule "B" Site Plan).		
<b>Actions</b>	It is recommended that: <ol style="list-style-type: none"> <li>1) Authority be granted to enter into a Lease with the Tenant for a twenty (20) year term, commencing on or about October 1st, 2016, subject to the terms and conditions outlined in Appendix 1 (refer to page 5), and on such other terms as may be satisfactory to the Chief Corporate Officer, and in a form acceptable to the City Solicitor;</li> <li>2) the Chief Corporate Officer or designate shall administer and manage the lease extension and amendment 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</li> <li>3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto</li> </ol>		
<b>Financial Impact</b>	The City will receive a total estimated net revenue of \$2,138,329 (plus HST) in basic rent over the twenty (20) year term of the Agreement. The Tenant will be responsible for the payment of all operating costs and realty taxes related to the Premises throughout the Term.		
<b>Comments</b>	The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with this financial impact information.  See Appendix I on page 4 for Comments, and Major Terms and Conditions.		
<b>Terms</b>	Real Estate Services staff consider the proposed fee and other terms and conditions in the proposed Lease Agreement to be fair, reasonable and at fair market value.		
<b>Property Details</b>	<b>Ward:</b>	15 – Eglinton - Lawrence	
	<b>Assessment Roll No.:</b>		
	<b>Approximate Size:</b>		
	<b>Approximate Area:</b>	620 square meters ± (6,674 square feet ±)	
	<b>Other Information:</b>		

A.	Director of Real Estate Services has approval authority for:	Chief Corporate Officer has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
2. Expropriations:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.
3. Issuance of RFPs/REOs:	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> Issuance of RFPs/REOs.
4. Permanent Highway Closures:	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.
5. Transfer of Operational Management to ABCDs:	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> Transfer of Operational Management to ABCDs.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.
9. Leases/Licences (City as Landlord/Licensor):	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$1 Million;	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 Million;
	<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.	<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.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.	<input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
	<input type="checkbox"/> (b) When closing road, easements to pre-existing utilities for nominal consideration.	<b>Delegated to a less senior position.</b>
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
13. Revisions to Council Decisions in Real Estate Matters:	<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).	<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).
14. Miscellaneous:	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences; <input type="checkbox"/> (b) Releases/Discharges; <input type="checkbox"/> (c) Surrenders/Abandonments; <input type="checkbox"/> (d) Enforcements/Terminations; <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates; <input type="checkbox"/> (f) Objections/Waivers/Cautions; <input type="checkbox"/> (g) Notices of Lease and Sublease; <input type="checkbox"/> (h) Consent to regulatory applications by City, as owner; <input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title; <input type="checkbox"/> (j) Documentation relating to Land Titles applications; <input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds.	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences; <input type="checkbox"/> (b) Releases/Discharges; <input type="checkbox"/> (c) Surrenders/Abandonments; <input type="checkbox"/> (d) Enforcements/Terminations; <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates; <input type="checkbox"/> (f) Objections/Waivers/Cautions; <input type="checkbox"/> (g) Notices of Lease and Sublease; <input type="checkbox"/> (h) Consent to regulatory applications by City, as owner; <input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title; <input type="checkbox"/> (j) Documentation relating to Land Titles applications; <input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds.

**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:	John Colle					Councillor:					
Contact Name:	Dustin Cohen					Contact Name:					
Contacted by:	Phone	x	E-Mail		Memo	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:	Consent to Proceed					Comments:					
Consultation with ABCDs											
Division:	Children's Services					Division:	Financial Planning/ Business I & I Finance				
Contact Name:	Faye Jose					Contact Name:	Filisha Mohammed				
Comments:	Consent to Proceed					Comments:	Consent to Proceed				
Legal Division Contact											
Contact Name:	Soo Kim Lee										
DAF Tracking No.: 2016-223					Date		Signature				
Recommended by: Manager, Leasing and Site Management Wayne Duong					Oct/3/2016		Sgd.\ Wayne Duong				
<input checked="" type="checkbox"/>	Recommended by: Director of Real Estate Services Joe Casali				Oct/6/2016		Sgd.\ Joe Casali				
<input type="checkbox"/>	Approved by:										
<input type="checkbox"/>	Approved by: Chief Corporate Officer Josie Scioli				Oct/11/2016		Sgd.\ Josie Scioli				

#### General Conditions ("GC")

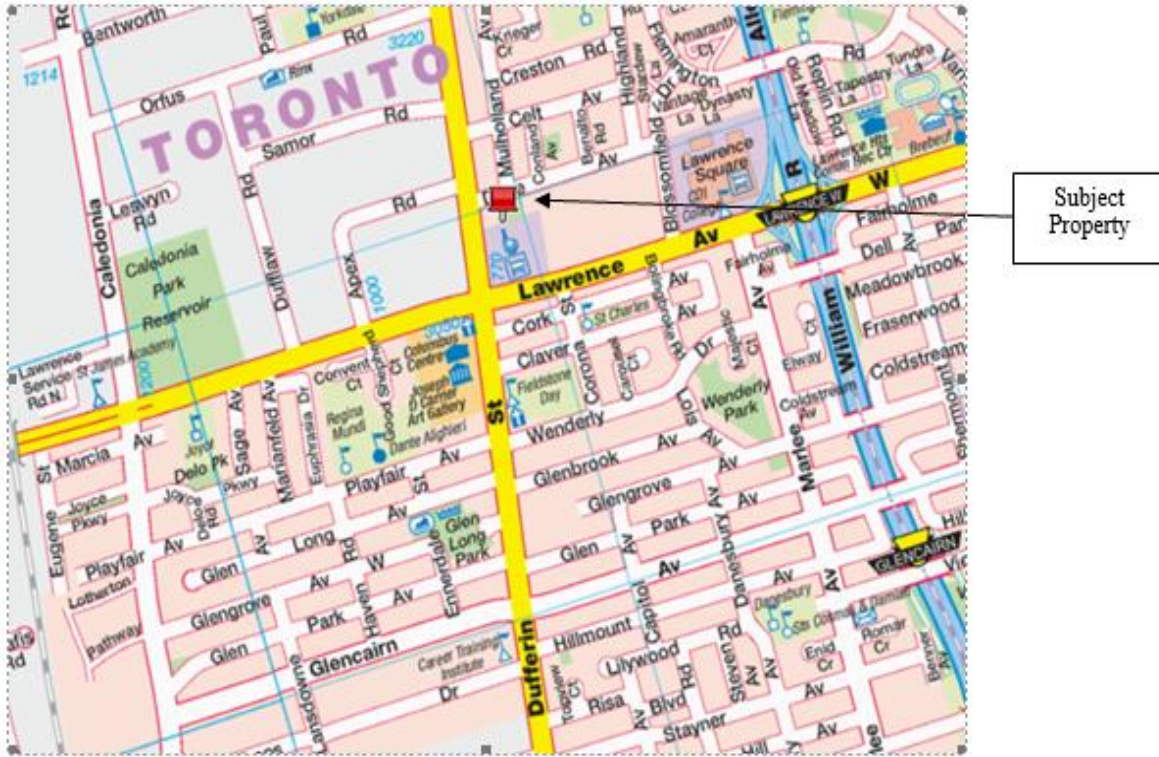
- (a) The local Councillor (or local Councillors if the subject property is located on a ward boundary or if the transaction involves an exchange of properties in more than one ward), will be consulted prior to the exercise of delegated Approving Authority by staff for all Acquisitions, Disposals, Land 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.

**Appendix I**  
Major Terms and Conditions

Background:	In accordance with a Section 37 Agreement dated September 1, 2011 between Duflaw Realty Ltd. (the "Developer") and the City of Toronto, the Developer agreed to provide certain community benefits, including the construction of a day-care/seniors centre on the western side of Dane Parkette. Under Children's Services' Request for Expression of Interest (REOI) process, the Tenant is the successful candidate and operator for the day care facility at 21 Dane Avenue (now 120 Via Bagnato).
Basic Rent:	<p>Year 1 - \$83,709.44 per annum (approximately \$12.54 PSF) plus HST.</p> <p>Year 2 - \$85,802.18 per annum (approximately \$12.86 PSF) plus HST.</p> <p>Year 3 - \$87,947.23 per annum (approximately \$13.18 PSF) plus HST.</p> <p>Year 4 - \$90,145.91 per annum (approximately \$13.51 PSF) plus HST.</p> <p>Year 5 - \$92,399.56 per annum (approximately \$13.85 PSF) plus HST.</p> <p>Year 6 - \$94,709.55 per annum (approximately \$14.19 PSF) plus HST.</p> <p>Year 7 - \$97,077.29 per annum (approximately \$14.55 PSF) plus HST.</p> <p>Year 8 - \$99,504.22 per annum (approximately \$14.91 PSF) plus HST.</p> <p>Year 9 - \$101,991.82 per annum (approximately \$15.28 PSF) plus HST.</p> <p>Year 10 - \$104,541.62 per annum (approximately \$15.66 PSF) plus HST.</p> <p>Year 11 - \$107,155.16 per annum (approximately \$16.06 PSF) plus HST.</p> <p>Year 12 - \$109,834.04 per annum (approximately \$16.46 PSF) plus HST.</p> <p>Year 13 - \$112,579.89 per annum (approximately \$16.87 PSF) plus HST.</p> <p>Year 14 - \$115,394.39 per annum (approximately \$17.29 PSF) plus HST.</p> <p>Year 15 - \$118,279.25 per annum (approximately \$17.72 PSF) plus HST.</p> <p>Year 16 - \$121,236.23 per annum (approximately \$18.17 PSF) plus HST.</p> <p>Year 17 - \$124,267.13 per annum (approximately \$18.62 PSF) plus HST.</p> <p>Year 18 - \$127,373.81 per annum (approximately \$19.09 PSF) plus HST.</p> <p>Year 19 - \$130,558.16 per annum (approximately \$19.56 PSF) plus HST.</p> <p>Year 20 - \$133,822.11 per annum (approximately \$20.05 PSF) plus HST.</p>
<u>Fixturing Period</u>	The Tenant shall prepare the Premises for opening and all work and materials necessary to do so shall be paid for by the Tenant and shall conform strictly with plans and specifications to be prepared by the Tenant and to be approved by the Landlord. The Fixturing Period shall commence on October 1st, 2016 and expire on November 15st, 2016. During the Fixturing Period all provisions of the lease shall be applicable to the Tenant's possession of the Premises except that the Tenant will not be obligated to pay Basic Rent during such period, but shall pay for all waste and refuse removal and all utilities and all items of Additional Rent and applicable Rental Taxes during such period.
Approximate Area:	6,674 square feet.
Term:	Twenty (20) Years (commencing on or about October 1st, 2016).
Use:	Children's Services - Day Care Centre.
Termination:	The City has the option to terminate the Lease (the "Termination Option") upon twelve (12) calendar months' prior written notice to the Tenant.
Insurance:	The Tenant is required to obtain and maintain Comprehensive Commercial General Liability insurance coverage in the amount of \$5,000,000.00 per occurrence.
Service Agreement/ Cross Default:	The Tenant shall enter into a Service Agreement with Children's Services, and default under the Service Agreement will be a default under the Lease.

### Appendix II

### Schedule "A" - LOCATION MAP



### Schedule "B" - Site Plan

