

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

TRACKING NO.: 2015-028

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.

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| Prepared By: | Jack Harvey | Division: | Real Estate Services |
| Date Prepared: | January 2, 2015 | Phone No.: | 7-7704 |

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| Purpose | To obtain authority to enter into a lease agreement with Rakoczi Villa c/o Aykler Management (the "Landlord") for approximately 525 square feet of space at 747 St. Clair Avenue West, Toronto commencing on December 1, 2014 and expiring on November 30, 2018 for use as a Constituency Office for Councillor Joe Mhevic. |
| Property | 747 St. Clair Avenue West, Toronto, Ontario |
| Actions | It is recommended that: <ol style="list-style-type: none"> 1. authority be granted to enter into the Lease Agreement with Rakoczi Villa c/o Aykler Management on the terms and conditions herein, and such other terms and conditions deemed appropriate by the Chief Corporate Officer, and in a form acceptable to the City Solicitor; 2. the Chief Corporate Officer, or her designate, administer and manage the Agreement including the provision of any consents, approvals, waivers, notices and notices of termination provided that Chief Corporate Officer, may, at any time, refer consideration of such matters 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 | Funding of \$51,600 for the term of four (4) years commencing on December 1, 2014 and ending on November 30, 2018 is available in the current Council Approved Operating Budget for City Council under the cost centre A71021-661000000 The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information. |
| Comments | At its meeting on July 11, 12 and 13, 2012, City Council adopted and amended report EX21.9 "Policy Changes to Councillor Officer Operations" in doing so, Council directed that the provision of a constituency office, within a civic centre (including City Hall) or within the Councillors' respective ward, be funded from the General Council Account, and further, that staff develop appropriate parameter for these spaces. The proposed Lease Agreement will authorize Councillor Joe Mihevc to continue his tenancy in the subject location which he has occupied since 2006. The rent and other terms and conditions of the lease agreement reflect current market value according to market research and valuation conducted by the Real Estate Services staff |
| Terms | See Page 4. |

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| Property Details | Ward: | 21 – St. Paul's |
| | Assessment Roll No.: | N/A |
| | Approximate Size: | 525 square feet |
| | Approximate Area: | N/A |
| | Other Information: | N/A |

Revised: April 11, 2014

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| A. | Director of Real Estate Services has approval authority for: | Chief Corporate Officer has approval authority for: |
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| 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: | Delegated to a more senior position. | |
| 4. Permanent Highway Closures: | Delegated to a more senior position. | |
| 5. Transfer of Operational Management to ABCDs: | Delegated to a more senior position. | |
| 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: | Delegated to a more senior position. | |
| 9. Leases/Licences (City as Landlord/Licenser): | <input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$1 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"/> (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 six (6) months, including licences for environmental assessments and/or testing, etc. |
| 10. Leases/Licences (City as Tenant/Licensee): | <input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million. | <input 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"/> (b) When closing road, easements to pre-existing utilities for nominal consideration. | <input type="checkbox"/> Where total compensation does not exceed \$3 Million. Delegated to a less senior position. |
| 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: | Joe Mihevc | | | | | Councillor: | | | | |
| Contact Name: | Angele Boudreau | | | | | Contact Name: | | | | |
| Contacted by: | Phone | X | E-Mail | Memo | Other | Contacted by: | Phone | E-mail | Memo | Other |
| Comments: | Approved | | | | | Comments: | | | | |
| Consultation with ABCDs | | | | | | | | | | |
| Division: | | | | | | Division: | Financial Planning/ Business I & I Finance | | | |
| Contact Name: | | | | | | Contact Name: | Anythony Ng | | | |
| Comments: | | | | | | Comments: | Approved | | | |
| Legal Division Contact | | | | | | | | | | |
| Contact Name: | Soo Kim Lee | | | | | | | | | |
| DAF Tracking No.: 2015-028 | | | | | Date | | Signature | | | |
| Recommended by: Wayne Duong, Mgr. Leasing & Site Mgt. | | | | | Jan/28/2015 | | Sgd.\ Wayne Duong | | | |
| <input checked="" type="checkbox"/> | Recommended by: Director of Real Estate Services | | | | Feb/11/2015 | | Sgd.\ Joe Casali | | | |
| <input type="checkbox"/> | Approved by: Joe Casali | | | | | | | | | |
| <input type="checkbox"/> | Approved by: Chief Corporate Officer | | | | | | X | | | |
| | 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:

1. Term: Four years commencing December 1, 2014 and ending November 30, 2018
2. Gross Rent:
Commencing December 1, 2014 and ending November 30, 2015 \$12,000 per year (\$1,000. per month)
Commencing December 1, 2015 and ending November 30, 2016 \$12,600 per year (\$1,050. per month)
Commencing December 1, 2016 and ending November 30, 2017; \$13,200 per year (\$1,100.00 per month)
Commencing December 1, 2017 and ending November 30, 2018; \$13,800 per year (\$1,150.00 per month)
3. Gross Rent includes realty taxes, operating costs, landscaping services, utilities, water rates, repairs, maintenance and replacements to the building including structural repairs and replacements, Landlord's business taxes, school taxes, building security, management fees and landlord's fire and public liability insurance premises.

Notwithstanding the foregoing, Tenant is responsible for its business taxes, janitorial services, maintenance and repairs to the interior of the premises including any leasehold improvements installed by the Tenant, save and except for normal wear and tear.
4. Option to Renew: for a renewal period equivalent to the next term of City Council provided Councillor Palacio is re-elected as a member of City Council. Same terms and conditions save and except for the rent which shall be negotiated.
5. Early Termination: (i) Term ends automatically if Councillor Mihevc's term ends or he is no longer a member of City of Toronto Council; or (ii) if the Tenant gives 3 months prior written notice to the Landlord.
6. Tenant's Insurance: General Liability – \$2M per occurrence

Location Map 747 St. Clair Avenue West

