

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

TRACKING NO.: 2016-049

<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 (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.			
<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:	March 14, 2016	Phone No.:	(416) 397 - 7671
Purpose	To obtain authority to enter into a lease agreement (the "Agreement") with Dixon Hall (the "Tenant") for approximately 970.54 square feet of space (the "Leased Premises") in the new Regent Park Community Centre ("RPCC"), municipally known as 402 Shuter Street, for a term of Five (5) years.		
Property	402 Shuter Street which is located in the north west corner of the intersection of Shuter Street and Sackville Street in Ward 28 (Toronto Centre-Rosedale), as show on Schedule "A".		
Actions	<ol style="list-style-type: none"> 1. Authority be granted for the City, as landlord, to enter into the Agreement with the Tenant for the Leased Premises, substantially on the terms and conditions set out below and such other terms and conditions as may be determined appropriate by the Director of Real Estate Services, and in a form acceptable to the City Solicitor; 2. The Chief Corporate Officer ("CCO") or his or her designate shall administer and manage the Agreement, including the provision of any consents, approvals, waivers, notices and notice of termination provided that the CCO may, at any time, refer consideration of such matters (including their content) 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 revenue from the lease agreement is estimated to be \$82,495.00 net of HST, the equivalent of \$16.00 for each square foot in year 1, \$16.50 for each square foot in year 2, \$17.00 for each square foot in year 3, \$17.50 for each square foot in year 4, and \$18.00 for each square foot in year 5. The basic rent is increased annually based a 3% annual inflation rate.</p> <p>The Tenant is responsible for its proportionate share of all additional rent items, including building insurance and maintenance, as well as all other occupancy costs including water, gas, hydro, heating and air conditioning. The estimated operating costs for 2016 is estimated at \$10.00 per square foot. Realty taxes are not included in the estimate but the Tenant is responsible for its proportionate share.</p> <p>The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>The City of Toronto owns the newly built RPCC which includes two (2) floors. The RPCC will be occupied by Toronto Employment & Social Services ("TESS") which provides employment services to the local residents in Regent Park. TESS strongly supports the leasing of the Leased Premises to Dixon Hall, as Dixon Hall provides complementary services to TESS and will be able to partner with TESS in delivering a broad range of employment programs to local residents. In addition to the Leased Premises, TESS and Dixon Hall will share an area of approximately 6,275 square feet (the "Shared Area"). TESS and Dixon Hall will enter into a Shared Facilities Agreement in respect of the Shared Area.</p> <p>The RPCC will also be occupied and used by Parks Forestry & Recreation, and Children Services.</p> <p>Real Estate Services staff consider the rent and other terms and conditions of the proposed lease to be fair, reasonable and at market rate.</p>		
Terms	See terms and conditions on page 4.		
Property Details	Ward:	28 – Toronto Centre-Rosedale	
	Assessment Roll No.:		
	Approximate Size:		
	Approximate Area:	970.54.60 ft ²	
	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 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:	Kelly Sather					Contact Name:				
Contacted by:	Phone	X	E-Mail	Memo	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:	Consent					Comments:				
Consultation with ABCDs										
Division:	Employment and Social Services					Division:	Financial Planning			
Contact Name:	Darrin Vermeersch					Contact Name:	Filisha Mohammed			
Comments:	Consent					Comments:	Consent			
Legal Division Contact										
Contact Name:	Kathleen Ann Kennedy									
DAF Tracking No.: 2016 – 049			Date			Signature				
Recommended by: Manager, Wayne Duong			Mar. 18, 2016			Sgd.Wayne Duong				
<input type="checkbox"/>	Recommended by: Director of Real Estate Services Joe Casali			Mar. 21, 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 – 402 Shuter Street

Landlord: City of Toronto.

Tenant: Dixon Hall.

Leased Premises: 970.54.60 square feet, as shown on Schedule "B".

Basic Rent: Five (5) Year Net rent of \$82,495.00

	Sq.ft	Basic Rent	Monthly	Annual
Year 1	970.54	\$16.00	\$1,294.05	\$15,528.64
Year 2	970.54	\$16.50	\$1,334.49	\$16,013.91
Year 3	970.54	\$17.00	\$1,374.93	\$16,499.18
Year 4	970.54	\$17.50	\$1,415.37	\$16,984.45
Year 5	970.54	\$18.00	\$1,455.81	\$17,469.72
			Sum	\$82,495.90

Additional Rent: The Tenant shall pay the Tenant's Proportionate Share of Operating Costs and Realty Taxes and all other costs and expenses pertaining to the Leased Premises.

Tenant's Proportionate Share: means the fraction which has as its numerator (the rentable area of the Premises plus the Tenant's share of Shared Areas) and which has as its denominator the total rentable area of all areas in the Property intended for leasing or for City use, whether rented or used or not. The parties have determined that, as of the Commencement Date, the Tenant's Proportionate Share is 10.15% calculated shown in accordance with **Schedule "B"** and being $(970.54 + 2620.17) / 35,383.00$, calculated in Schedule "C". In the event of any changes throughout the Term, the Tenant's Proportionate Share shall be adjusted accordingly based on the said formula

Use: employment center and related administrative offices.

Term: Five (5) years

Commencement Date: Lease to be dated upon execution by both parties

Security Deposit: \$3,107.34, (the value of first and last months' Basic Rent) $(\$1,294.05 + 1,455.81)$.

Landlord's Work: None.

Right to Extend: None.

Option to Renew: None.

Termination Clause: Either party may terminate the Agreement by providing six (6) months written notice.

Early Termination: The tenancy be on a month-to-month until the Shared Facilities Agreement is signed. If the Shared Facilities Agreement terminates or expires during the Term of the Lease, the lease will automatically terminate on the same date.

Net Lease: The Lease will be absolutely net to the Landlord except that the Landlord will furnish the Lease Premises and Shared Areas, pay for the cost of the Tenant's sign on the Building, and be responsible for the costs associated with the structural defects or weakness of the Building.

Shared Facilities Agreement: The Tenant and City or TESS will enter into a Shared Facilities Agreement in respect of the Shared Area. Default under the Lease will constitute default under the Shared Facilities Agreement, and vice versa.

NSF Fee: \$35.00 per NSF Cheque.

Late Payment Charge: \$1.25% per month or 15% per annum.

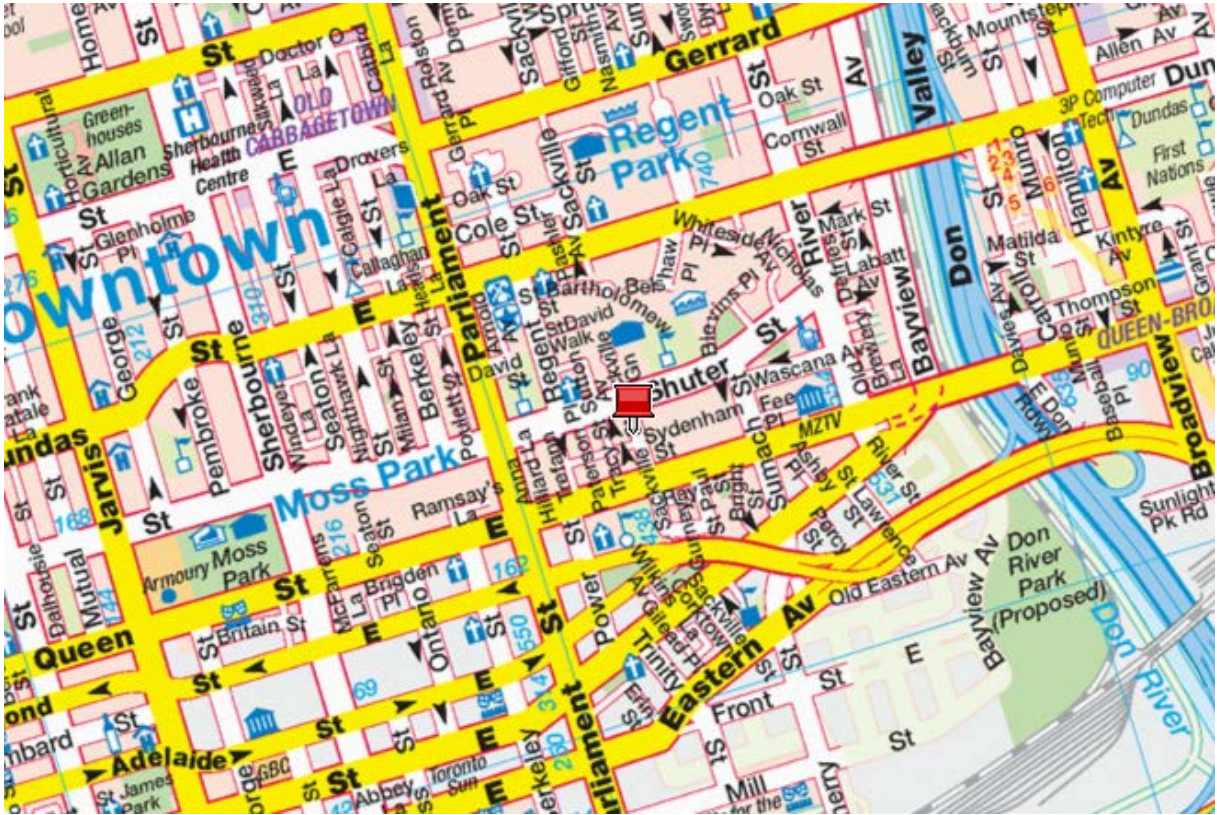
Payment: Tenant to provide post-dated cheques to the Landlord on or before the commencement of the Lease Agreement for each month of the lease term consisting of Basic and Additional Rent. At Landlord's option, pre-authorized bank payment.

Indemnity: The Tenant shall indemnify and hold the Landlord harmless at all times from and against any and all actions, claims, charges, costs, damages, demands, expenses, losses and any other proceedings whatsoever.

Insurance: Commercial general liability insurance with limits of not less than Five Million Dollars (\$5,000,000.00), per occurrence, adding the City of Toronto as an Additional Insured.

Schedule "A"

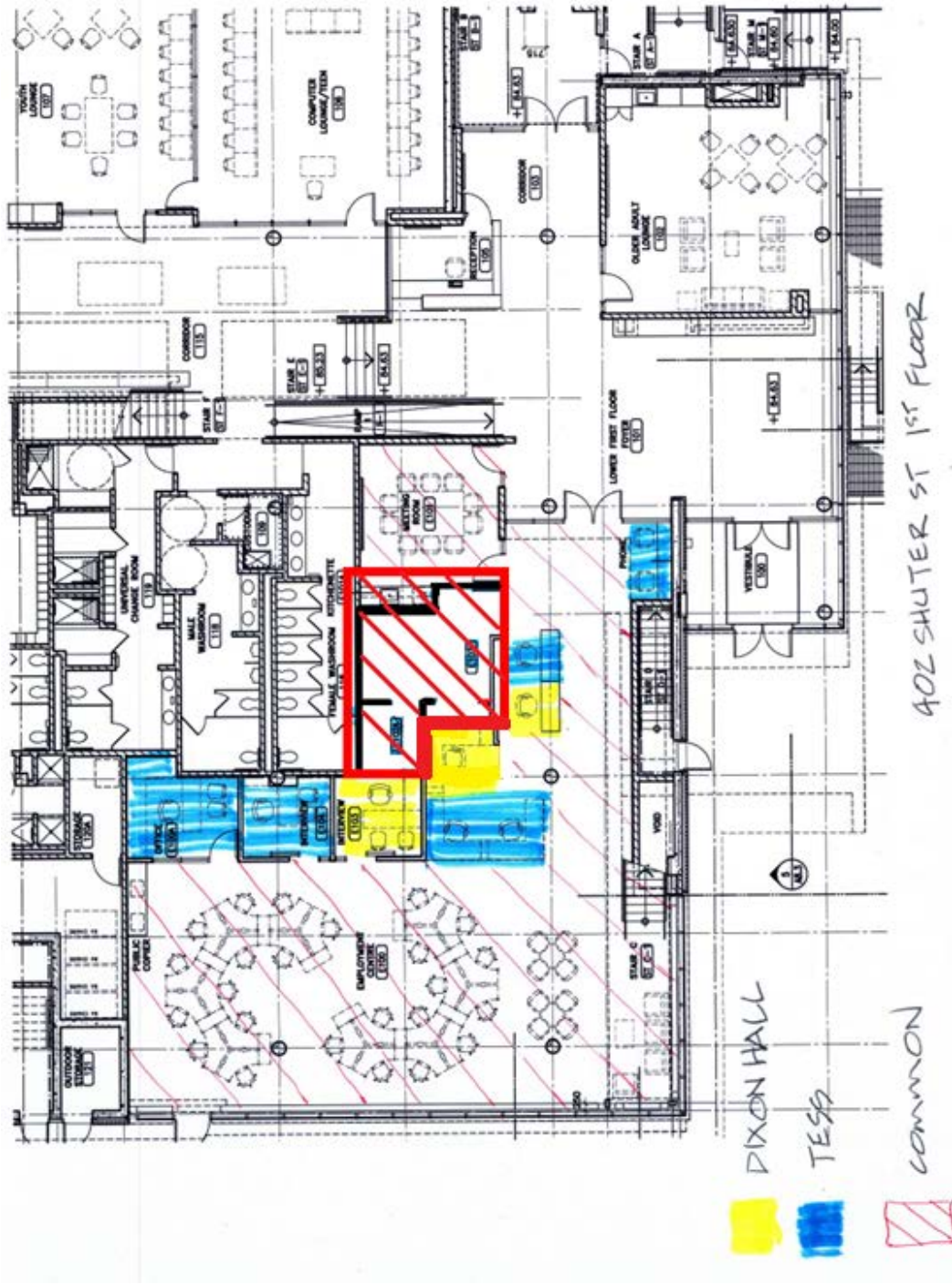
402 Shuter Street (Regent Park Community Centre) Location Maps



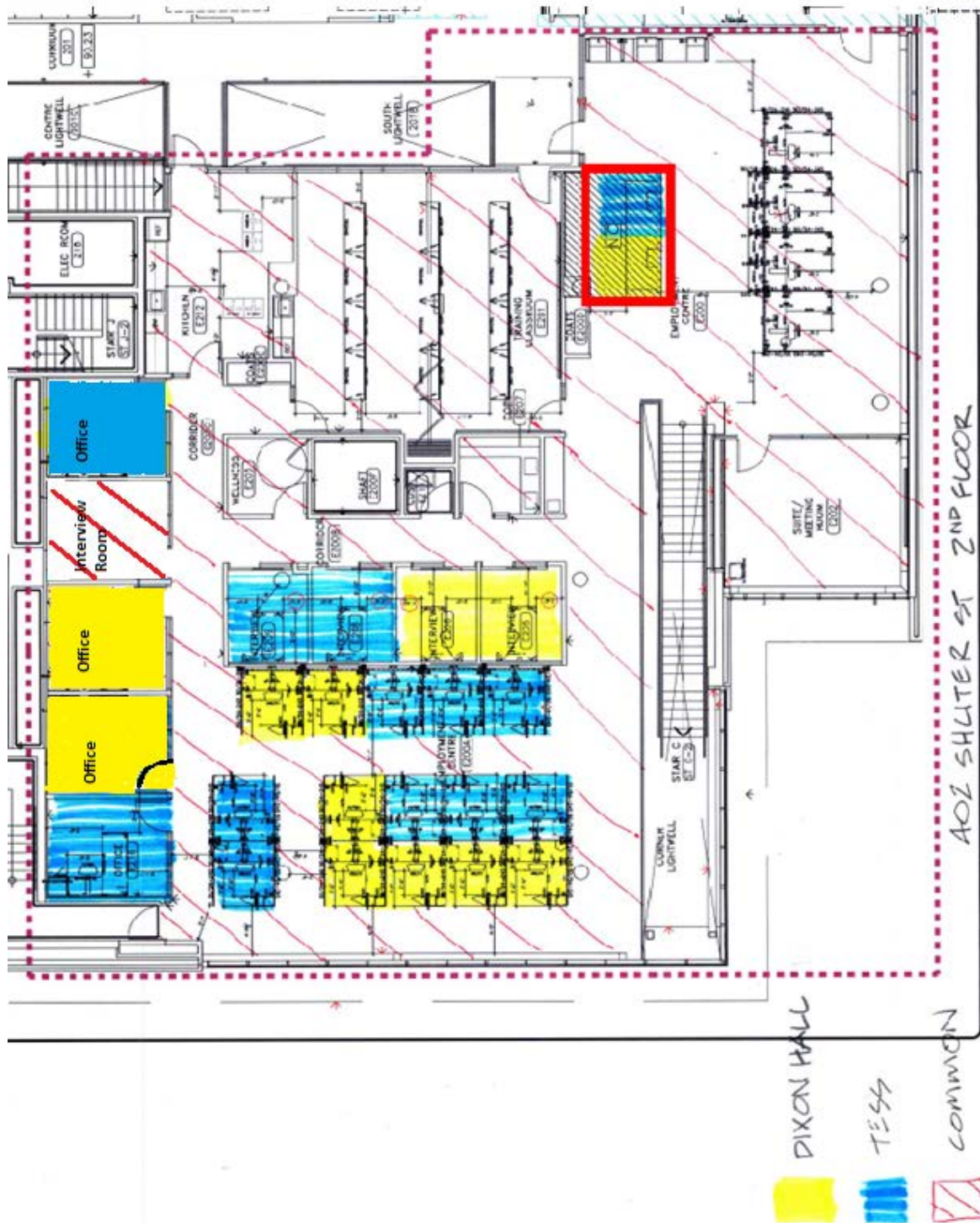
Schedule "B"

402 Shuter Street (Regent Park Community Centre) Leased Premises

402 Shuter 1st Floor



402 Shuter 2nd Floor



Schedule "C"

402 Shuter Street (Regent Park Community Centre) Space Calculation

Dedicated Spaces	Sq.ft		
TESS	1353.97	58%	
Dixon Hall	<u>970.54</u>	42%	
Total Dedicated Spaces	2324.50	100%	27%
Shared Spaces			
TESS	3655.33	58%	
Dixon Hall	<u>2620.17</u>	42%	
Total Common Spaces	<u>6275.50</u>	100%	73%
Total ESS	8600.00		100%

Building Space Calculation		
ESS	8,600.00	21%
Children Services	392.00	1%
Recreation	26,391.00	64%
Common	<u>5,655.00</u>	14%
Total Building Space	41,038.00	100%
Dedicated Space		
ESS	8,600.00	24.31%
Children Services	392.00	1.11%
Recreation	<u>26,391.00</u>	74.59%
Total Dedicated Space	35,383.00	100%

Common Space Calculation			
REC	4,217.88	75%	
CS	62.65	1%	
TESS	800.60		
Dixon Hall	<u>573.88</u>		
ESS	<u>1,374.47</u>	24%	
Total Common Area Space	5,655.00	100%	

Cost Distribution			
REC	74.59%		
CS	1.11%		
TESS	14.16%	(24%*58%)	
Dixon Hall	10.15%	(24%*42%)	
	100.00%		

