

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

TRACKING NO.: 2017-119

- 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 on 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), and further amended by GM16.16 entitled "Transit Shelter Property Acquisitions" adopted by City Council on December 13, 14 and 15, 2016 (Confirmatory By-Law No. 1290-2016, enacted on December 15, 2016).
- 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:	Jack Harvey	Division:	Real Estate Services
Date Prepared:	April 25, 2017	Phone No.:	7-7704

<b>Purpose</b>	To obtain authority to enter into a Second Lease Amending and Extension Agreement (the "Agreement"), with 1239079 Ontario Limited, (the "Landlord"), for the continuing use of Suite 1800 within the premises known municipally as 44 Victoria Street (also known as 25 Adelaide Street East).
<b>Property</b>	Town of York Plan, designated as Part 1, Plan 66R-15310, City of Toronto. PIN 21401-0016 (LT)
<b>Actions</b>	<ol style="list-style-type: none"> <li>1) authority be granted to enter into the Agreement for the premises listed above, on the terms and conditions outlined on page 4 of this form and 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 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>	<p>The total cost of the lease renewal to the City over the five (5) year term is estimated to be \$1,218,251 (plus HST) or \$1,239,692.22 (net of HST recoveries). This figure includes the cost of basic rent and additional rent in the form of a proportionate share of the operating costs. Funding is available in the 2017 Council Approved Operating Budget for Toronto Public Health and will be accommodated for in future Operating Budget submissions.</p> <p>The Deputy City Manager &amp; Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
<b>Comments</b>	Under the authority of Administration Committee Report No. 6, Clause 37, as adopted by City Council on September 25, 26 and 27, 2006, the City entered into a five year and two month Lease Agreement with 1239079 Ontario Limited for the use of approximately 7,098 square feet of office space within the building known municipally as 44 Victoria Street. The space, also known as Suite 1800, was leased for Toronto Public Health to accommodate the Department's Healthy Environment Program and its Drug Strategy Team. The Lease was renewed effective July 1, 2012 for a five year term as per Report No EX43.7 as adopted by City Council on May 11 & 12, 2010, DAF tracking No. 2022-154. Toronto Public Health have indicated the programs continue to provide a valuable service to the community and have asked for the Lease to be renewed for a term of five years. The proposed renewal term will commence on July 1, 2017 and expire on June 30, 2022. Real Estate Services Staff have reviewed the agreement and are satisfied that the terms and conditions of this Agreement are fair, reasonable and at market value.
<b>Terms</b>	See Page 4 (attached)

<b>Property Details</b>	<b>Ward:</b>	28 – Toronto Centre - Rosedale
	<b>Assessment Roll No.:</b>	1904-06-4-430-01500
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	7,098 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/REOIs:	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> Issuance of RFPs/REOIs.
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
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):	N/A	<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 or her.

**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				
Contact Name:					Glenn Gustafson				
Contacted by:		Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other	
Comments:					Comments:				
Consultation with ABCDs									
Division:					Toronto Public Health				
Contact Name:					Maureen Drayton				
Comments:					Approved				
Division:					Financial Planning				
Contact Name:					Filisha Jenkins				
Comments:					Approved				
Legal Division Contact									
Contact Name:					Wasył Moskal				
DAF Tracking No.: 2017-119					Date		Signature		
Recommended by: Manager – Wayne Duong					June/23/2017		Sgd.\ Wayne Duong		
<input checked="" type="checkbox"/>	Recommended		Director of Real Estate Services		July/14/2017		Sgd.\ Joe Casali		
<input type="checkbox"/>	Approved by:		Joe Casali						
<input checked="" type="checkbox"/>	Approved by:		Chief Corporate Officer		July/17/2017		Sgd.\ Josie Scioli		
			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 being available from third party sources, except for "Strategic Property Acquisitions" as set out in EX44.22 adopted by Council August 25, 26, 27 and 28, 2014, which identifies alternative funding mechanisms subject to additional approval requirements.
- (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, except for property acquisitions of 50M<sup>2</sup> or less for transit shelter purposes.
- (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 & Conditions  
44 Victoria Street

**Landlord:** 1239079 Ontario Limited

**Tenant:** City of Toronto

**Property:** 44 Victoria Street, Toronto, Ontario (also known as 25 Adelaide Street East).

**Demised Area:** 7,098 square feet on the 18<sup>th</sup> floor - Suite 1800

**Use:** General offices to accommodate Toronto Public Health Inspectors, WNV Inspectors and administrative support and/or general office purposes for other City departments/divisions

**Renewal Term:** Five (5) years, commencing July 1, 2017 and expiring June 30, 2022.

**Rent:**

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Basic Rent	\$138,411	\$138,411	\$138,411	\$145,509	\$145,509	\$ 706,251
Additional Rent	\$ 96,604	\$ 99,502	\$102,400	\$105,298	\$108,196	\$ 512,000
Total	\$235,015	\$237,913	\$240,811	\$250,807	\$253,705	\$1,218,251*

\*Plus HST

**Further Option To Renew:** None

**Early Termination Provision:** The Tenant shall have the right to terminate its lease with Landlord upon nine months prior written notice at any time after June 1, 2019 for (the "Right to Terminate"). Should Tenant exercise this Right to Terminate, then it shall pay the Landlord, within thirty(30) business days of providing written notice, a penalty equal to three (3) months gross rent and \$1.50 per square foot per year of remaining term. All amounts stated are subject to HST. Should the Tenant exercise its Right to Terminate, then upon the termination date and payment of the penalty agreed above, the Tenant shall be fully discharged of all its past and future obligations pursuant to its lease with Landlord, with regards to the Premises, except for the Basic Rent and Additional Rent up to the termination date that will survive the Term. The Tenant shall be responsible for any year-end adjustments to the Additional Rent up to the date of termination.

**Insurance:** The City of Toronto is to hold an insurance policy including (i) All Risks Property Insurance and (ii) Commercial general liability insurance coverage in an amount not less than Five Million (\$5,000,000.00).

All other terms and conditions remain unchanged.

### Location Map 44 Victoria Street

