

**DELEGATED APPROVAL FORM  
CHIEF CORPORATE OFFICER**

TRACKING NO.: 2015-212

- 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:	August 18, 2015	Phone No.:	416 397 7671

**Purpose** To obtain authority to enter into a five (5) year lease agreement with Margie Taylor Dancers Limited as tenant for approximately 6,615 square feet of warehouse space.

**Property** 705 Progress Avenue, Unit 36 & 37

- Actions** It is recommended that:
- 1) authority be granted to enter into a lease with Margie Taylor Dancers Limited as Tenant for approximately 6,615 square feet of warehouse space for a five (5) year Term, substantially on the terms and conditions outlined herein and in a form acceptable to the City Solicitor;
  - 2) the Chief Corporate Officer or designate shall administer and manage the lease agreement including the provisions of any consents, approvals, waivers, notices and notices of termination provided that the Chief Corporate Officer, at any time, refer consideration of such matter to City Council for its determination and direction;
  - 3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

**Financial Impact** The total revenue from the lease agreement is estimated to be \$155,452.68 net of HST, the equivalent for \$4.50 per square foot from Oct 1, 2015 to Sept 30, 2017, \$4.75 per square foot from Oct 1, 2017 to Sept 30, 2019, and \$5.00 per square foot from Oct 1, 2019 to Sept 30, 2020.

705 Progress Avenue is a jointly owned facility between the Toronto District School Board and the City of Toronto. All revenues collected are divided equally between both parties subject to deductions of the appropriate expenses, adjustments and costs.. According to the original decision in 1996, when the City of Scarborough acquired the property, the City's portion will be transferred to a dedicated parkland reserve fund (5% and 2% Land Acquisition Reserve Fund Scarborough – XR2007).

	Square Foot	Basic Rent	Approximate Annual Basic Rent	Monthly	Free Rent	Total Basic Rent plus HST
Year One	6,615	\$4.50	\$29,767.50	\$2,480.63	\$0	\$29,767.56
Year Two	6,615	\$4.50	\$29,767.50	\$2,480.63	\$0	\$29,767.56
Year Three	6,615	\$4.75	\$31,421.25	\$2,618.44	\$0	\$31,421.28
Year Four	6,615	\$4.75	\$31,421.25	\$2,618.44	\$0	\$31,421.28
Year Five	6,615	\$5.00	\$33,075.00	\$2,756.25	\$0	\$33,075.00
<b>Total</b>						<b>\$155,452.68</b>

**Terms** The tenant is responsible its share of realty taxes, building insurance and maintenance, as well as all other occupancy costs including water, gas, hydro, heating and air conditioning.

The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agree with the financial impact information.

705 Progress Avenue is an industrial mall type of property consisting of about 156,000 square feet acquired in August 1996 by the former City of Scarborough in partnership with the former Scarborough Board of Education. Pending development of the property as a future park and a school facility, it was decided to continue to lease the units to multiple tenants. The day-to-day operation of the property is assigned to Compass Commercial Realty Limited under a management agreement. There are no plans at the present time to carry out the intended uses by the City and the Board for the property.

The rent and other terms and conditions of the agreement are considered by staff to be fair, reasonable and at market value.

See page 4.

**Property Details**

<b>Ward:</b>	38-Scarborough Centre
<b>Assessment Roll No.:</b>	
<b>Approximate Size:</b>	
<b>Approximate Area:</b>	6,615 sf
<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 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 checked="" 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 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"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences;
	<input type="checkbox"/> (b) Releases/Discharges;	<input type="checkbox"/> (b) Releases/Discharges;
	<input type="checkbox"/> (c) Surrenders/Abandonments;	<input type="checkbox"/> (c) Surrenders/Abandonments;
	<input type="checkbox"/> (d) Enforcements/Terminations;	<input type="checkbox"/> (d) Enforcements/Terminations;
	<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates;	<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates;
	<input type="checkbox"/> (f) Objections/Waivers/Cautions;	<input type="checkbox"/> (f) Objections/Waivers/Cautions;
	<input type="checkbox"/> (g) Notices of Lease and Sublease;	<input type="checkbox"/> (g) Notices of Lease and Sublease;
	<input type="checkbox"/> (h) Consent to regulatory applications by City, as owner;	<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"/> (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"/> (j) Documentation relating to Land Titles applications;
	<input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds.	<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:	Glenn De Baremaeker					Councillor:				
Contact Name:	Gwen Mackay					Contact Name:				
Contacted by:	X	Phone		E-Mail		Memo		Other		
Comments:	Consent					Comments:				
Consultation with ABCDs										
Division:						Division:	Financial Planning/ Business I& I Finance			
Contact Name:						Contact Name:	Filisha Mohammed			
Comments:						Comments:	Consent			
Legal Division Contact										
Contact Name:	Dina Marcutti									
DAF Tracking No.: 2015 - 212			Date			Signature				
Recommended by: Manager, Wayne Duong			Sept 21, 2015			Sgd./ Wayne Duong				
<input type="checkbox"/>	Recommended by: Director of Real Estate Services Joe Casali			Sept 28, 2015			Sgd./ Joe Casali			
<input checked="" type="checkbox"/>	Approved by:									
<input type="checkbox"/>	Approved by: Chief Corporate Officer Josie Scioli						X			

**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.

**Terms and Conditions**

Rent:                               Years 1 & 2   Net Rent of \$59,535.00 (\$4.50/sq.ft.)  
   Years 3 & 4   Net Rent of \$62,824.50 (\$4.75/sq.ft.)  
   Year 5        Net Rent of \$33,075.00 (\$5.00/sq.ft.)

Area:                               6,615 sq. ft.

Term:                               5 Years (October 1, 2015 – September 30, 2020)

Use:                                 Dance Studio

Net Rent Free Period:         None

Landlord's Work:               None.

Deposit:                         The Landlord holds a deposit for first and last month's rent in the amount of \$12,445.79

Right to Extend:               n/a

Termination Clause:         By the Landlord only with six month's written notice.

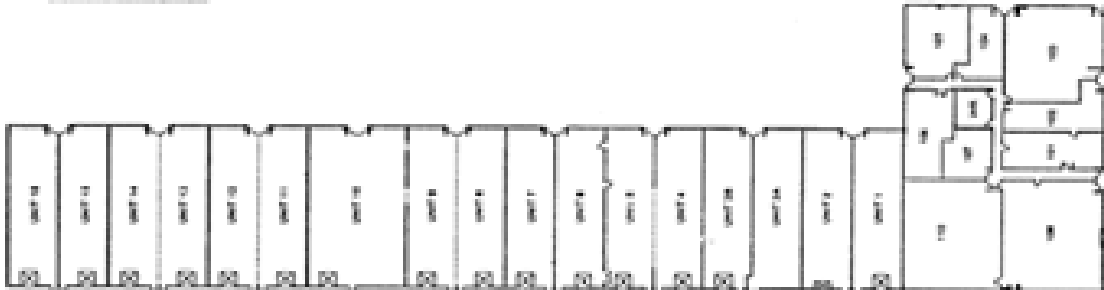
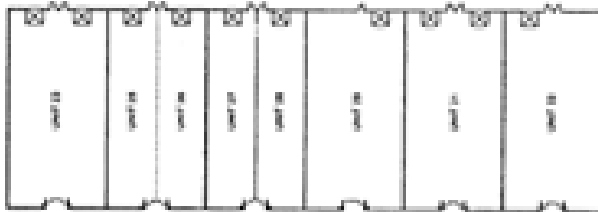
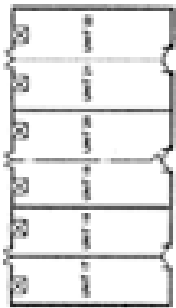
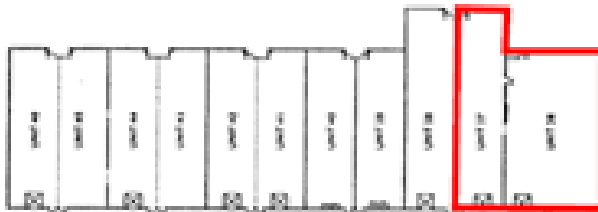
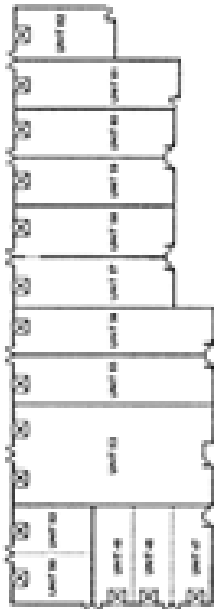
NSF Fee:                         \$35.00 per NSF Cheque.

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 on Minimum and Additional Rent.

Early Possession:             If Tenant meets the Landlord's Possession Conditions, the Landlord can, but is not obligated to provide early possession between September 25, 2015-30.

Net Lease:                       Tenant is responsible for property taxes, fees and maintenance costs associated with the leased area.



Unit 36 & 37  
6,615 Square Feet

