

**DELEGATED APPROVAL FORM
CITY MANAGER
DEPUTY CITY MANAGER & CHIEF FINANCIAL OFFICER**

TRACKING NO.: 2015-168

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, as amended by DAF 2013-307 and DAF 2014-087. City Council confirmatory By-Law No. 1234-2013.

Prepared By:	Derek Wei	Division:	Real Estate Services
Date Prepared:	October 23, 2015	Phone No.:	416-392-1259

Purpose To obtain authority to enter into a second lease extension and amending agreement (the "Agreement") between the City of Toronto (the "Tenant") and 505896 Ontario Limited (the "Landlord"), by its management agent, Greenrock Property Management Limited, for the entire 15th floor of 365 Bloor Street East (the "Premises"), shown as Subject Property on Schedule "A" – Location Map (refer to page 6) for a further period of five (5) years commencing November 1, 2015 and expiring October 31, 2020 (the "Term"), for use by Shelter, Support and Housing Administration (SSHA).

Property The entire 15th floor of the building municipally known as 365 Bloor Street East, which includes approximately 14,790 square feet of rentable office area. (See page 5 for Schedule "A" Site Location Map, and Schedule "B" Aerial View.)

- Actions**
- 1) Authority be granted to extend and amend the existing Lease between 505896 Ontario Limited, by its managing agent, Greenrock Property Management Inc., as landlord, and the City, as tenant, for the entirety of the 15th floor at 365 Bloor Street East for a further five (5) years, 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;
 - 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
 - 3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto

Financial Impact The total net rental cost to the City for the five (5) year term of this extension will be \$1,146,225.00 plus HST. The basic net rent will be \$229,245.00 plus HST per annum (approximately \$15.50 per square foot plus HST) and the additional fees are estimated below:

Operating Costs (including Tyco Security): \$173,338.80 per annum plus HST (approximately \$11.72 per square foot)
 Utilities: \$39,785.10 per annum plus HST (approximately \$2.69 per square foot)
 Realty Tax: \$80,161.80 per annum plus HST (approximately \$5.42 per square foot)

The total annual costs will be approximately \$522,530.70 plus HST per annum (approximately \$35.33 per square foot plus HST)

The funding for the lease payments is included in the 2015 Approved Operating budget for Shelter, Support and Housing Administration-SHU Social Housing Unit and is included in the 2016 Operating Budget Submission.

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

Comments SSHA has been a tenant of the subject property since 2004 based on the following authorities:

- DAF #2004-019 authorized a Sublease of the Premises from TCHC, for a short term commencing from March 15, 2004 and expiring September 30, 2004;
- DAF #2004-110 authorized an extension of the Sublease for a seven (7) month less-a-day term commencing October 1, 2004 and expiring April 29, 2005, and authorized the entry into a new Lease with the then registered owner, 505896 Ontario Limited, by its agent Greenwin Property Management Inc. for a term of five (5) years six (6) months and one (1) day commencing April 30, 2005 and expiring October 31, 2010.
- DAF #2011-026 authorized an extension and amendment of the Lease for a further five (5) year term commencing November 1, 2010 and expiring October 31, 2015.

Real Estate Services Staff, in consultation with SSHA Staff, have negotiated an extension and amendment to the Lease with the Landlord for a further term of five (5) years, commencing November 1, 2015 and expiring October 31, 2020.

Terms As contained in the current Lease, subject to the Major Terms and Conditions in Appendix 1 (refer to page 4).

Property Details	Ward:	27 - Toronto Centre – Rosedale
	Assessment Roll No.:	1904-06-8-510-0105
	Approximate Size:	
	Approximate Area:	1,374.035 square meters ± (14,790 square feet ±)
	Other Information:	

A.	Deputy City Manager & Chief Financial Officer has approval authority for:	City Manager has approval authority for:
<p>1. Acquisitions:</p> <p>2. Expropriations:</p> <p>3. Issuance of RFPs/REOIs:</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>(a) Approvals, Consents, Notices and Assignments under all Leases/Licences;</p> <p>(b) Releases/Discharges;</p> <p>I Surrenders/Abandonments;</p> <p>(d) Enforcements/Terminations;</p> <p>(e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates;</p> <p>(f) Objections/Waivers/Cautions;</p> <p>(g) Notices of Lease and Sublease;</p> <p>(h) Consent to regulatory applications by City, as owner;</p> <p>(i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title;</p> <p>(j) Documentation relating to Land Titles applications;</p> <p>(k) Correcting/Quit Claim Transfer/Deeds.</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million;</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding twelve (12) months, including licences for environmental assessments and/or testing, etc.</p> <p><input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 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 \$3 Million).</p> <p>Delegated to a less senior position.</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 Million.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million;</p> <p>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 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 \$5 Million).</p> <p>Delegated to a less senior position.</p>
<p>B. City Manager and Deputy Manager & Chief Financial Officer each has signing authority on behalf of the City for:</p>		
<p><input checked="" type="checkbox"/> Documents required to implement the delegated approval exercised by him.</p>		

Consultation with Councillor(s)					
Councillor:	Kristyn Wong - Tam			Councillor:	
Contact Name:	Tristan Downe-Dewdney			Contact Name:	
Contacted by:	Phone	x	E-Mail	Memo	Other
Comments:	Approved			Comments:	
Consultation with ABCDs					
Division:	Social Housing Unit			Division:	Financial Planning Division
Contact Name:	Rob Cressman			Contact Name:	Filisha Mohammed
Comments:	Consent to Proceed			Comments:	Consent to Proceed
Legal Division Contact					
Contact Name:	Michele Desimone				

DAF Tracking No.: 2015-168	Date	Signature
Recommended by: Manager, Leasing and Site Management Wayne Duong	Oct/26/2015	Sgd.\ Wayne Duong
Recommended by: Director of Real Estate Services Joe Casali	Nov/6/2015	Sgd.\ Joe Casali
Recommended by: Chief Corporate Officer Josie Scioli	Nov/10/2015	Sgd.\ Josie Scioli
Approved by: Deputy City Manager & Chief Financial Officer Roberto Rossini	Nov/13/2015	Sgd.\ Roberti Rissini

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 licenses (City as Licensor) is limited to periods (including options/renewals) of less than twenty-one (21) years, save and except for residential leasing matters and .
- (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.

Appendix 1
Major Terms and Conditions

Background:	The Premises are currently occupied by the Social Housing Unit (SHU) of SSHA, which carries out its oversight and administrative responsibilities as a service manager under the Social Housing Reform Act (SHRA) 2000. SHU is responsible for the funding and administration of social housing programs within the City of Toronto which includes ensuring housing providers adhere to program requirements, establishing operating policies, and providing housing providers with advice and guidance. Under its responsibilities SHU also monitors the operations and compliance of housing providers to ensure that their program requirements and financial obligations are being met.
Basic Rent:	\$229,245.00 per annum (approximately \$15.50/ sq. ft. plus HST)
Estimated Additional Rent:	Operating Costs (including Tyco Security): \$173,338.80 per annum plus HST (approximately \$11.72/sq. ft.) Utilities: \$39,785.16 per annum plus HST (approximately \$2.69/ sq. ft.) Realty Tax: \$80,161.80 per annum plus HST (approximately \$5.42/ sf. ft.)
Estimated Total Annual Cost:	\$522,530.76 per annum (Approximately \$35.33/ sq. ft. plus HST)
Approximate Area:	14,790 square feet of office space.
Term:	Five (5) Years (November 1, 2015 to October 31, 2020.)
Use:	Office – Shelter, Support and Housing Administration
Realty Taxes:	Realty Taxes (subject to MCF), currently estimated to be \$5.42 per square foot per annum, applicable to the rentable area of the Premises. Municipal Capital Facility Tax Exemption: The Landlord acknowledges and agrees that in the event that Council of the City of Toronto exempts the Premises from taxation, for municipal and school purposes, pursuant to section 252 of the <i>City of Toronto Act, 2006</i> , as amended, on the basis that Premises constitute a municipal capital facility, the Landlord covenants and agrees that provided the Landlord is not required to pay any Taxes in respect of the Premises during the entire period of any such exemption, the entire benefit of such exemption shall be passed on to the Tenant who, during the entire period of any such exemption, shall not be required to pay any Taxes in respect of the Premises and the Landlord shall enter into a municipal capital facility agreement with the Tenant to this effect on terms satisfactory to the Tenant's Chief Corporate Officer and in a form acceptable to the City Solicitor.
Termination:	The Tenant shall have an option to terminate the Term of this Lease (the "Termination Option") upon six (6) calendar months' prior notice, in writing, to the Landlord of its intention to terminate this Lease (the Termination Notice") which is not to be earlier than October 31, 2018. The effective date of such termination, as set forth in the Termination Notice, is not to be earlier than April 30, 2019, which is hereinafter referred to as the "Termination Date."
Improvement and Renovations:	The Landlord agrees that it shall within the first three (3) years of the Second Extension Term renovate (i) the elevator lobby in the common area located therein; and (ii) the washrooms on the fifteenth (15) floor of the Building to the standard currently existing on the sixteenth (16) floor within the Building as at the date of the Second Lease Extension and Amending Agreement and as approved by the Tenant.

Schedule "A" - SITE LOCATION MAP

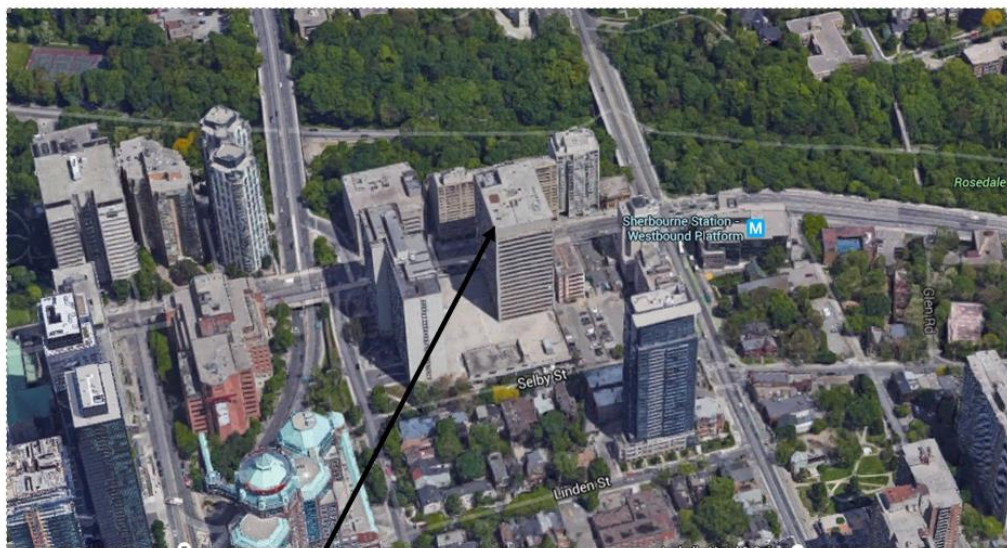
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Schedule "A" - SITE LOCATION MAP



Schedule "B" - AERIAL VIEW

Schedule "B" - AERIAL VIEW



Subject Propty

