

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

**TRACKING NO.: 2015-194**

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: Derek Wei      Division: Real Estate Services

Date Prepared: August 31, 2015      Phone No.: 416-392-1259

**Purpose**  
To obtain authority to enter into a lease extension and amending agreement with the City of Toronto (the "Tenant") and Davenport-Perth Neighborhood and Community Health Centre, on behalf of The Trustees of Olde Davenport United Church (the "Landlord"), for a facility utilized as a City operated day care centre, for a further five (5) year term from March 1, 2015 to February 29, 2020.

**Property**  
Premises being approximately 3,564 square feet of rentable area in a portion of a building known municipally as 1900 Davenport Road also known as the Davenport-Perth Neighbourhood and Community Health Centre, (refer to Schedule "A" - Location Map, Schedule "B" - Aerial Map, and Schedule "C" – Floor Plan on pages 6 and 7).

- Actions**
1. Authority be granted to extend and amend the existing Lease to the City from Danforth-Perth Neighbourhood and Community Health Centre for an extension term of five (5) years subject to the terms and conditions outlined on this form 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 cost to the City will be \$196,560.00 (net of HST, if applicable) payable in monthly installments to the Landlord over the five (5) year term of the lease extension.  
The breakdown of the monthly rent, and utility and realty tax payments are shown below:

Period	Number of Months	\$/Sq Ft	Sq. Footage	Monthly Rent	Total Rental Costs to the City for the Period	Monthly Utilities & Realty Tax to the City for the period	Total Utilities & Realty Tax to the City for the period	Total Monthly Costs	Total Costs to the City for the Period
March 1, 2015 - February 29, 2020	60	\$ 8.00	3,564	\$ 2,376.00	\$ 142,560.00	\$ 900.00	\$ 54,000.00	\$ 3,276.00	\$ 196,560.00
<b>Total Costs to the City for the 5yr term:</b>					<b>\$ 142,560.00</b>		<b>\$ 54,000.00</b>		<b>\$ 196,560.00</b>

The City will pay rent of \$2,376.00 per month (net of HST, if applicable) from March 1, 2015 - February 29, 2020.

The City will pay a rate of \$900.00 per month (net of HST, if applicable) from March 1, 2015 - February 29, 2020, as its portion of Hydro, Water, Natural Gas and Realty Taxes to the Landlord, and will be subject to year-end reconciliations based on the tenant's proportionate share of 9.63%.

Funding for the lease payments is included in the 2015 Council Approved Operating budget for Children Services. The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with this financial impact information.

**Comments**

Report No. 22, Clause No. 19 of the Metropolitan Toronto Executive Committee was adopted in Council on the September 11, 1984. Under this authority, Metropolitan Toronto entered into a Lease dated the November 14, 1984, with The Trustees of Olde Davenport United Church, for the establishment and operation of a City operated day care centre. The original Lease was for a term of five (5) years. Report No. 2 of the Parks, Recreation and Property Committee, adopted on February 15, 1989, authorized a renewal, for a term of one year commencing March 1, 1989. The 1989 indenture contained an option to renew for one year commencing March 1, 1990, which was subsequently exercised by letter on January 3, 1990. On the 24, 25, and 26 of April 1991. Report 15(16) of the Management Committee was adopted by Council authorizing a further renewal of 3 years, which commenced March 1, 1991 and expired February 29, 1994. On June 1, 1994, Metro Council adopted Report No. 18(7) of the Management Committee authorizing the renewal for a further term of five (5) years commencing March 1, 1994 and expiring February 29, 1999. Under authority of DAF-99-115, the lease was renewed for a further five (5) years commencing March 1, 1999 and expiring on Feb 29, 2004.

Under the authority of DAF-2006-037, the lease was renewed for a term of six (6) years commencing March 1, 2004 and expiring on February 29, 2010. The lease was further renewed from March 1, 2010 to February 29, 2015 as authorized by DAF-2010-239.

The facility continues to operate as a City run day care facility, although the original demised area of 4,200 square feet was reduced to approximately 3,564 square feet. This area adjustment was facilitated by letter agreement dated January 6, 2003. The facility also contains an additional outdoor play area of approximately 1,200 square feet.

Real Estate Services staff consider the proposed rent and other terms and conditions in the Agreement to be fair and reasonable and at market rates.

**Terms**

Refer to Terms and Conditions (see page 5)

**Property Details**

<b>Ward:</b>	17 - Davenport
<b>Assessment Roll No.:</b>	1904032290060000000
<b>Approximate Size:</b>	Facility: 3,564 square feet ±; Outdoor play area: 1,200 square feet ±
<b>Approximate Area:</b>	0.11 acres of facility and outdoor land ±
<b>Other Information:</b>	N/A

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):	<input 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 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"/> 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:	Cesar Palacio				Councillor:					
Contact Name:	Eric Francis				Contact Name:					
Contacted by:	Phone	x	E-Mail	Memo	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:	Approved				Comments:					
Consultation with ABCDs										
Division:	City of Toronto - Children's Services				Division:	Financial Planning Division				
Contact Name:	Nino Dodaro				Contact Name:	Filisha Mohammed				
Comments:	Approved				Comments:	Approved				
Legal Division Contact										
Contact Name:	Jack Payne									
DAF Tracking No.: 2015 - 194					Date		Signature			
Recommended by: Manager of Leasing and Site Management, Wayne Duong					Sept 25, 2015		Sgd./ Wayne Duong			
<input type="checkbox"/>	Recommended by: Director of Real Estate Services Joe Casali				Nov 6, 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

**Demised Area:**

Approximately 3,564 square feet within the Davenport Perth Neighbourhood and Community Health Centre of facility space and 1,200 square feet of outdoor play area.

**Term:**

Five (5) years commencing March 1, 2015 and expiring February 29, 2020.

**Basic Rent:**

For the period from March 1, 2015 through February 29, 2020, \$28,512.00 per annum or \$2,376.00 per month (plus HST, if applicable) based on a rate of \$8.00 per square feet plus HST. If applicable.

**Additional Rent:**

The City will pay a rate of \$900.00 per month (plus HST, if applicable) for the period from March 1, 2015 through February 29, 2020, as its portion of Hydro, Water, Natural Gas and Realty Taxes to the Landlord. Both parties agree that the Tenant's proportionate share for the purposes of payment of such amounts is approximately 9.63% of the facility. At the end of each year, based on reconciliation of financial statements presented to the City by the Landlord, the Landlord or Tenant shall pay to either party the difference as noted in the year end statements. If there has been a shortfall in the amount paid by the Tenant, the Tenant shall pay to the Landlord the amount of such shortfall within a reasonable time. If the Tenant has overpaid on account of such amounts, any overpayment shall, at the Tenant's discretion, either be paid forthwith by the Landlord to the Tenant or credited to the Tenant's account and applied to payments next falling due under the Lease.

**Early Termination:**

During the Renewal Term, both parties shall have the right to terminate the Lease at any time on at least ten (10) months' advance written notice to the other party to such effect.

**Insurance:**

The City at its own expense throughout the duration of the term, shall keep comprehensive general liability insurance, to a minimum limit of five million dollars (\$5,000,000) for each occurrence.

**Extension Options:**

The Tenant will have the option to extend upon expiration of this agreement for a further term of five (5) years which will be at the fair market rent at the time of extension.

**Management Fee**

None applicable.

**Schedule "A"**  
**SITE LOCATION MAP**



**Schedule "B"**  
**AERIAL MAP**



