

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

TRACKING NO.: 2017-106

- 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:	May 8, 2017	Phone No.:	(416) 397-7704
----------------	-------------	------------	----------------

<b>Purpose</b>	To obtain authority to enter into a lease extension and amending agreement, (the "Agreement") with Northwest Healthcare Properties ("the Landlord"), for office space utilized by Toronto Public Health at 235 Danforth Avenue.
----------------	---

<b>Property</b>	Suites 102, 103, 104, 200, 300 and 400 within the building municipally known as 235 Danforth Avenue. Plan 795 PT LOTS O & P RP (as detailed on page 6 of this form).
-----------------	--

<b>Actions</b>	<ol style="list-style-type: none"> <li>(1) authority be granted to exercise the option to extend the existing Lease Agreement for the use of the aforementioned property at 235 Danforth Avenue for a renewal term of five (5) years with the Landlord, Northwest Healthcare Properties, subject to the terms and conditions outlined on page 4 of this form and on such other terms as may be acceptable to the Chief Corporate Officer, with documentation in a form acceptable to the City Solicitor;</li> <li>(2) the Chief Corporate Officer or designate shall administer and manage the Lease Extension 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;</li> <li>(3) the appropriate City Officials be authorized and directed to take whatever action is necessary to give effect thereto.</li> </ol>
----------------	---

<b>Financial Impact</b>	The total cost to the City for the five (5) year extension term inclusive of basic rent, common area maintenance, will be \$2,535,127.80 (plus HST) or \$2,579,746.05 (net of HST recoveries). Funding to cover the lease costs for 2017 is available in the 2017 Council Approved Operating Budget for Facilities, Real Estate, Environment & Energy (FREEE). Funding for the remainder of the lease term will be included in future Operating Budget submissions for Toronto Public Health (TPH) for Council consideration. Lease costs for this location have been budgeted by Real Estate Services since 1991. Effective 2018, the responsibility for these costs will be assumed by TPH.
-------------------------	---

<b>Comments</b>	The Deputy City Manager & Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.
-----------------	---

<b>Comments</b>	At its meeting held on October 7 & 8, 1991, Toronto City Council adopted the report of the Budget Review Committee which recommended the lease of approx.14,000 square feet of space at 235 Danforth Avenue for the purpose of relocating the Eastern Health Area Public Health Office. A five year lease was executed with 886024 Ontario Inc., commencing June 1, 1992 and ending May 31, 1997. The Board of Management Committee at its meeting of May 2, 1997 authorized an extension which expire on May 31, 2002. As per DAF 2001-049 the lease was surrendered and a new Lease was entered into with Pricewaterhouse Coopers Inc. as the Receiver and Manager of 886024 Ontario Inc. for a period of five (5) years beginning June 15, 2001 and ending June 14, 2006. This Lease was amended under the authority of DAF 2002-062 to expand the area to 17,737 square feet and changed the term dates commencing on October 15, 2001 and ending on October 14, 2006. At its meeting held on September 25, 26 & 27, 2006, Toronto City Council approved a Lease Renewal for a term of five (5) years expiring on October 14, 2011. During this previous extension the square footage was also increased to 18,444 square feet.
-----------------	---

<b>Comments</b>	Toronto Public Health provides services from this location including a dental clinic and must retain the present space in order to maintain the existing level of health service to the community.
-----------------	--

<b>Terms</b>	Real Estate Services Staff consider the terms are at market rates (as per Page 4 attached).
--------------	---

<b>Property Details</b>	<b>Ward:</b>	30 – Toronto Danforth
	<b>Assessment Roll No.:</b>	1904-07-5-300-03900
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	18,444 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/REOs:	<b>Delegated to a more senior position.</b>	<input type="checkbox"/> Issuance of RFPs/REOs.
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: N/A	<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"/> (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 checked="" 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 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"/> (b) When closing road, easements to pre-existing utilities for nominal consideration.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million. <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:	Paula Fletcher				Councillor:				
Contact Name:	Susan Serran				Contact Name:				
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other		
Comments:	Consent				Comments:				
Consultation with ABCDs									
Division:	Toronto Public Health				Division:	Financial Planning			
Contact Name:	Maureen Drayton				Contact Name:	Filisha Jenkins			
Comments:	Approved				Comments:	Approved			
Legal Division Contact									
Contact Name:	Joanne Franco								
DAF Tracking No.: 2017-106			Date			Signature			
Recommended by: Daran Somas for: Mgr., Leasing & Site Mgt.			Sept/1/2017			Sgd.\ Daran Somas, Actg. Manager			
<input checked="" type="checkbox"/>	Recommended by: Director of Real Estate Services		Sept/15/2017			Sgd.\ Joe Casali			
<input type="checkbox"/>	Approved by: Joe Casali								
<input checked="" type="checkbox"/>	Approved by: Chief Corporate Officer		Sept/18/2017			Sgd.\ Josie Scioli			
<input type="checkbox"/>	Approved by: 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 and Conditions 235 Danforth Avenue

**Landlord:** Northwest Healthcare Properties

**Tenant:** City of Toronto, Toronto Public Health

**Premises:** 235 Danforth Avenue, Toronto

**Demised Area:** Approximately 18,444 square feet comprising all of suites 102, 103, 104, 200, 300 and 400 collectively.

**Extension Term:** Five years commencing November 1, 2017 and ending October 31, 2021

**Basic Rent:** Yearly Rate \$15.75 psf per annum. Total Basic Rent for 5 years \$1,343,423.81 (plus HST).

**Additional Rent:** \$11.74 per square feet per annum.

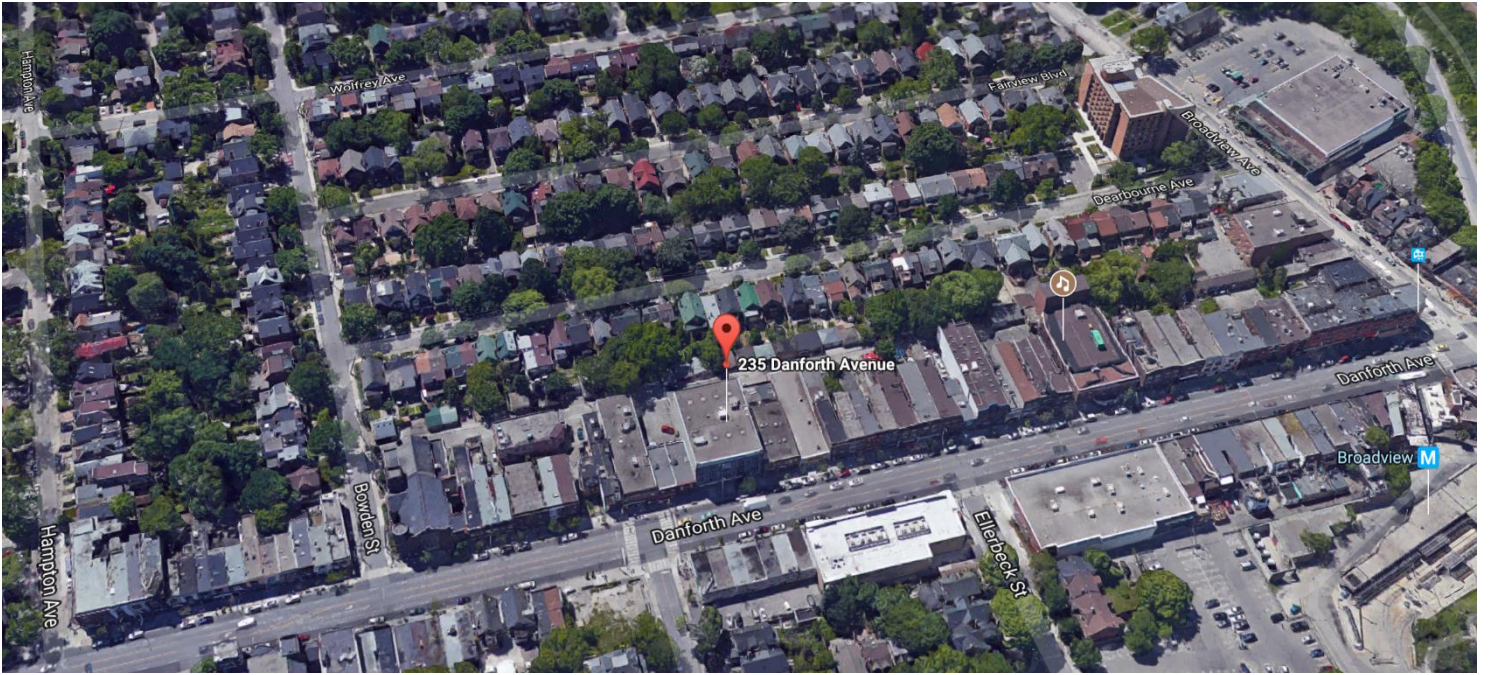
Suite #	Sq. Ft.	Basic Rent	Additional Rent	Annual Rent	Total Costs
102,103,104	2,404	\$ 37,863.00	\$128,222.97	\$ 66,085.97	\$ 330,429.80
200	7,712	\$121,464.00	\$ 90,538.88	\$212,002.88	\$1,060,014.40
300	7,698	\$121,243.50	\$ 90,374.52	\$211,618.02	\$1,058,090.10
400	630	\$ 9,922.50	\$ 7,396.20	\$ 17,318.70	\$ 86,593.50
<b>Total</b>	<b>18,444</b>				<b>\$2,535,127.80</b>

**Municipal Capital Facility Tax Exemption:** Exempt

Location Map







Property Map