

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

TRACKING NO.: 2017-103

- 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:	Van Hua	Division:	Real Estate Services
Date Prepared:	April 28, 2017	Phone No.:	416 338 9572

<b>Purpose</b>	To obtain authority to enter into a Lease Agreement (the "Agreement") with 1191373 Ontario Inc. (the "Landlord") for approximately 820 square feet of space at 1371 Neilson Road, unit 312 for use as a Constituency Office for Councillor Neethan Shan.
<b>Property</b>	1371 Neilson Road, unit 312 (3rd Floor), Scarborough Ontario, M1B 4Z8 (See Appendix "B")
<b>Actions</b>	<ol style="list-style-type: none"> <li>1. Authority be granted to enter into a Lease Agreement with the Landlord subject to the terms and conditions outlined in Appendix "A" of this form and on such other terms and conditions 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, amendments, 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 to the City of Toronto for the term of one (1) year and seven (7) months will be approximately \$37,460.08 (net of HST recoveries), or \$36,812.18 (plus HST) of which \$15,580.00 (plus HST) relates to basic rent, \$19,332.18 (plus HST) for additional rent and \$1,900.00 (plus HST) for parking. If the option to extend is exercised, the total cost to the City of Toronto over the initial term and the four (4) year extension will be approximately \$132,096.06 (net of HST recoveries).</p> <p>Funding is available and approved in the Operating Budget for City Council under cost centre A71042, functional area code 6610000000.</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>	<p>At its meeting on July 11, 12 and 13, 2012, City Council adopted and amended report EX21.9 "Policy Changes to Councillor Office Operations". In doing so, Council directed that the provision of a constituency office within a civic centre (including City Hall) or within the Councillor's respective ward be funded from the General Council Account and further that staff develop appropriate parameter for these spaces.</p> <p>At its meeting on October 30, 31, and November 1, 2012, City Council adopted Recommendation 1 of report CC27.5 "Parameters for Councillor Constituency Offices" and approved the proposed parameters.</p> <p>The proposed Lease Agreement enables Councillor Neethan Shan to establish a constituency office in his ward. The rent and other terms and conditions of the lease agreement reflect current market value according to market research and valuation conducted by the Real Estate Services.</p>
<b>Terms</b>	Major terms and conditions of the Agreement are set out in Appendix "A" of this form.

<b>Property Details</b>	<b>Ward:</b>	42 – Scarborough Rouge River
	<b>Assessment Roll No.:</b>	
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	76.18 m <sup>2</sup> (820 ft <sup>2</sup> )
	<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:	<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;
10. Leases/Licences (City as Tenant/Licensee):	<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.
11. Easements (City as Grantor):	<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.
12. Easements (City as Grantee):	<input type="checkbox"/> (a) 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"/> (b) When closing road, easements to pre-existing utilities for nominal consideration.	<b>Delegated to a less senior position.</b>
14. Miscellaneous:	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
	<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).
	<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>B. Chief Corporate Officer and Director of Real Estate Services each has signing authority on behalf of the City for:</b>	
<input type="checkbox"/> 1. Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.	<input type="checkbox"/> 2. Expropriation Applications and Notices following Council approval of expropriation.
<input checked="" type="checkbox"/> 3. Documents required to implement the delegated approval exercised by him or her.	
<b>Chief Corporate Officer also has approval authority for:</b>	
<input type="checkbox"/> Leases/licences/permits at Union Station during the Revitalization Period, if the rent/fee is at market value.	

Consultation with Councillor(s)									
Councillor:	Neethan Shan					Councillor:			
Contact Name:	Winnie Li					Contact Name:			
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other		
Comments:	Proceed.					Comments:			
Consultation with ABCDs									
Division:	City Clerk's Office					Division:	Financial Planning		
Contact Name:	Winnie Li					Contact Name:	Filisha Jenkins		
Comments:	Approved.					Comments:	Approved 4.24.2017		
Legal Division Contact									
Contact Name:	Soo Kim Lee								
DAF Tracking No.: 2017-103					Date		Signature		
Recommended by: Manager, Wayne Duong					Apr/28/2017		Sgd.\ Wayne Duong		
<input type="checkbox"/>	Recommended by: Director of Real Estate Services				Apr/28/2017		Sgd.\ Joe Casali		
<input checked="" type="checkbox"/>	Approved by: Joe Casali								
<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 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.

**Appendix "A"**  
**Major Terms and Conditions**

**Landlord:** 1191373 Ontario Inc.

**Tenant:** City of Toronto

**Property:** 1371 Neilson Road unit 312 (3rd Floor), Scarborough ON

**Area:** 820 square feet (Rentable Area)

**Term:** One (1) year and seven (7) months commencing May 1, 2017 and expiring November 30, 2018.

**Option to Extend:** One option to extend for four (4) years (the next Term of Council), commencing December 1, 2018 and expiring November 30, 2022, provided the Tenant gives at least six (6) months written notice to the Landlord. The terms and conditions would remain the same except basic rent which will be negotiated based on the then fair market rent rate for comparable premises in the area.

**Basic Rent:** \$12.00 per square foot.

**Additional Rent:** Estimated to be \$14.89 per square foot. Of which \$10.94 is operating costs and \$3.95 is realty taxes.

**Signage:** The Landlord shall, at its expense, install building standard identification signage on the directory board(s) for the building and on the door leading to the leased premises. In addition if space is available and at the Landlord's expense, the Tenant shall be entitled to identification signage on the pylon sign for the Building.

**Municipal Capital Facilities Agreement:** The Landlord acknowledges that the Tenant has the right, in its discretion to request Council to exempt the property from taxation for municipal and school purposes if the Tenant considers that the premises may be used as a municipal capital facility. Provided Council grants satisfactory approval to this effect, the Landlord has agreed to enter at its sole cost and expense into the necessary municipal capital facility agreement with the Tenant pursuant to Section 110(1) of the Municipal Act, 2001 as amended, in a form acceptable to the City Solicitor and legal counsel for the Landlord and to pass the full benefit of such exemption on to the Tenant during the entire period of such exemption.

**Realty Taxes:** The City of Toronto and the Landlord may enter into a Municipal Capital Facilities Agreement which exempts the demised area from realty taxes.

**Early Termination:** The Lease shall terminate, if for any reason, Councillor Neethan Shan's term as a Member of the City Council should end.

**Parking:** 2 parking spots at a monthly rate of \$50.00 per spot.

**Financial Summary:** The total cost to the City of Toronto for the term of one (1) year and seven (7) months will be approximately \$37,460.08 (net of HST recoveries), or \$36,812.18 (plus HST) of which \$15,580.00 (plus HST) relates to basic rent, \$19,332.18 (plus HST) for additional rent and \$1,900.00 (plus HST) for parking. If the option to extend is exercised, the total cost to the City of Toronto over the initial term and the four (4) year extension will be approximately \$132,096.06 (net of HST recoveries).

**Tenant's Work, at the Tenant's expense:**

- Painting of all walls and door frames
- Removal of existing small sink and cupboards – main servery sink and bar fridge to remain
- Steam cleaning existing carpet, completing carpet bases
- Install carpet tile in existing examination room over existing VCT tile
- Existing window coverings and shelving unit to remain
- Create meeting room – reuse existing door, new door frame
- Install additional outlets, electrical and voice/data to connect to main panels
- Remove redundant voice/data and Northern Telecom box
- New light switches
- New interior glass window with laminate frost strips

pendix "B"

**Property:** 1371 Neilson Road unit 312, Scarborough ON M1B 4Z8

