

DELEGATED APPROVAL FORM
DIRECTOR, REAL ESTATE SERVICES
MANAGER, REAL ESTATE SERVICES

TRACKING NO.: 2018-059

Approved pursuant to the Delegated Authority contained in Executive Committee Item EX27.12, as adopted by City Council on October 2, 3 and 4, 2017 or, where applicable, in Executive Committee Item EX28.8, as adopted by City Council on November 7, 8 and 9, 2017.

Prepared By:	Christine Ho	Division:	Toronto Parking Authority
Date Prepared:	February 1, 2018	Phone No.:	416-338-8957

Purpose	To obtain authority for the Toronto Parking Authority ("TPA") to enter into a lease agreement ("Offer to Lease") with Dipped Donuts ("the Tenant") as indemnified by Jiten Grover with respect to Unit 1 at the property municipally known as 161 Baldwin Street (the "Subject Property") and Carpark 68 (refer to Appendix 'B' – Site Location Map and Appendix 'D' – Images of 161 Baldwin Street Unit 1). The proposed term on the Lease Agreement is five (5) years, with an option to extend for an additional five (5) years.
Property	Approximately 370 square feet of commercial space on the ground floor located on municipally at 161 Baldwin Street, Unit 1.
Actions	<ol style="list-style-type: none"> 1. Authority to be granted for Toronto Parking Authority to enter a Lease Agreement with Dipped Donuts for a term of five (5) years with an option to extend the term upon expiry for an additional five (5) years. 2. The appropriate City and TPA staff be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>The total revenue to the City for the ten (10) year term inclusive of basic rent, operating cost and realty tax, will be \$262,037.95 before HST. Over the ten (10) year term, TPA will receive \$175,622.00 in basic rent and \$86,416.00 in operating cost reimbursements. The property taxes, operating and maintenance costs associated with the Subject Property during the Lease Term will be paid by the Tenant. Details of annual revenue to the City, exclusive of HST, can be found in Appendix A.</p> <p>Actual expenses and revenues associated with this lease will be reported through the Toronto Parking Authority's quarterly variance reports, and if required, related budgets will be subsequently adjusted through the annual budget process.</p> <p>The Acting Chief Financial Officer has reviewed this DAF and agrees with the financial impact information as attached on Schedule "A".</p>
Comments	<p>At its meeting of February 21, 2017 (TPA Minute No.:17-029), TPA Board authorized staff to negotiate and enter into new tenant lease agreements and existing tenant lease renewals at Carparks 1, 26, 68, 216, 281, 282, 661, and 674 based on a set of pre-determined market leasing criteria to ensure efficiency during the leasing process. At the time, the leasing parameter at Carpark 68 was set at 5 to 10 years with a minimum net rent of \$32.00 per square foot.</p> <p>On February 5, 2018, Board of Directors of the Toronto Parking Authority authorized staff to enter into a new lease agreement with Dipped Donuts at 161 Baldwin Street Unit 1 (the "Property") which is located within a municipal parking structure ("Municipal Carpark 68"). The proposed term of the Lease is five (5) years with an option to extend for an additional five (5) years. City Real Estate Services and City Legal have been engaged to provide oversight on the process and document preparation, respectively.</p>
Terms	<p>New term – Five (5) years with an option to extend for an additional five (5) years</p> <p>Year 1, 2, and 3 - \$42.23 per square foot - \$15,625.10 per annum, \$1302.09 per month</p> <p>Year 4 - \$44.93 per square foot - \$16,624.10 per annum, \$1,385.34 per month</p> <p>Year 5 - \$45.89 per square foot - \$16,979.30 per annum, \$1,414.94 per month</p> <p><i>See page 4 for the other major terms and conditions.</i></p>

Property Details	Ward:	Ward 20 – Trinity - Spadina
	Assessment Roll No.:	1904-06-5-630-02500
	Approximate Size:	
	Approximate Area:	34.37 m ² ± (370 ft ² ±)
	Other Information:	New Tenant

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services 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 Divisions and Agencies:</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: N/A</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><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><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.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> Issuance of RFPs/REOIs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.</p> <p><input checked="" type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$1 Million.</p> <p><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.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).</p> <p><input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences</p> <p><input type="checkbox"/> (b) Releases/Discharges</p> <p><input type="checkbox"/> (c) Surrenders/Abandonments</p> <p><input type="checkbox"/> (d) Enforcements/Terminations</p> <p><input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates</p> <p><input type="checkbox"/> (f) Objections/Waivers/Caution</p> <p><input type="checkbox"/> (g) Notices of Lease and Sublease</p> <p><input type="checkbox"/> (h) Consent to regulatory applications by City, as owner</p> <p><input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title</p> <p><input type="checkbox"/> (j) Documentation relating to Land Titles applications</p> <p><input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds</p>

B. Director, Real Estate Services and Manager, Real Estate Services each has signing authority on behalf of the City for:

- Documents required to implement matters for which he or she also has delegated approval authority.
- Expropriation Applications and Notices following Council approval of expropriation (Manager, Acquisitions & Expropriations is only Manager with such signing authority).

Director, Real Estate Services also has signing authority on behalf of the City for:

- Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.

- Community Space Tenancy Leases approved by delegated authority by Deputy City Manager, Internal Corporal Services and any related documents.

Consultation with Councillor(s)										
Councillor:	Councillor Joe Cressy (TBD)					Councillor:				
Contact Name:	Lia Brewer					Contact Name:				
Contacted by:	Phone	E-Mail	X	Memo	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:	No objection					Comments:				
Consultation with Divisions and/or Agencies										
Division:	Toronto Parking Authority					Division:	Financial Planning			
Contact Name:	Vin Madan, Director of Real Estate					Contact Name:	Patricia Libardo			
Comments:	Proceed					Comments:	Proceed			
Legal Division Contact										
Contact Name:	David Eveline									

DAF Tracking No.: 2018- 059	Date	Signature
Recommended by:		
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas	Feb. 8, 2018	Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services David Jollimore	Feb. 16, 2018	David Jollimore

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. In the event of a vacancy in the Ward in which the subject property is located, the Mayor's office shall be consulted in the alternative.
- (b) Where approving power has been delegated to staff, the Deputy City Manager, Internal Corporate Services, in consultation with any other 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 50M² 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 as defined in the *Toronto Waterfront Revitalization Corporation Act, 2002* 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 of City Planning, 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, as leases of 21 years or more may be authorized based on the delegated Approving Authority for disposals in **A.7**.
- (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, including ancillary agreements, 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) 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.
- (aa) All residential leasing documents shall adhere to the *Residential Tenancies Act, 2006* and any successor legislation.
- (bb) Despite GC(n), Approving Authority in residential leasing matters is not limited to periods of less than twenty-one (21) years and total compensation in residential leasing matters where the City is landlord is to be calculated based on an assumed term of ten years unless the lease term expressly identified therein is longer.
- (cc) Where Approving Authority has been delegated to the Manager level, such authority shall be conditional upon the Manager first having secured the written concurrence of a second Manager within the Real Estate Services Division.

Major Terms and Conditions

Landlord: Toronto Parking Authority

Tenant: Dipped Donuts

Property: Units 1 at 161 Baldwin/ 20 St. Andrews (Municipal Carpark 68), Toronto, ON

Leased Area: Approximately 370 square feet

Use: Gourmet donut shop with other café food items and beverages

Term: Five (5) years commencing February 19, 2018 or a commencement date mutually agreeable to both parties subject to approvals, with the Tenant having an option to renew for an additional five (5) years

Basic Rent:

Year 1, 2, and 3 - \$42.23 per square foot - \$15,625.10 per annum, \$1302.09 per month

Year 4 - \$44.93 per square foot - \$16,624.10 per annum, \$1,385.34 per month

Year 5 - \$45.89 per square foot - \$16,979.30 per annum, \$1,414.94 per month

Option to Extend:

The Tenant has the option to renew for a period of 5 years with basic rent being the fair market basic rent rate for comparable premises in the area, provided that in no event shall such rate be less than the Basic Rent payable during the last 12 month period preceding to the commencement of the Extended Term

Fixturing Period:

The Fixturing Period shall commence February 19, 2018 and expire March 19, 2018. During the Fixturing period, the Tenant shall pay for all waste and refuse removal, all utilities and all items of Additional Rent and applicable Rental Taxes

Free Rent: The tenant shall be entitled to a rent free period from March 19, 2018 to June 19, 2018. During Rent Free period, the Tenant shall pay for all waste and refuse removal, all utilities and all items of Additional Rent and applicable Rental Taxes

Additional Rent: The lease is net to the Landlord, with the tenant being responsible for their proportionate share of Realty taxes and Operating costs.

Utilities & HVAC: The tenant will be responsible for all utility and HVAC related charges for their leased area

Insurance: Comprehensive general liability insurance coverage for \$5,000,000 per occurrence, against claims for personal and bodily injury, death or property damage suffered by others arising in connection with or without the occupation of the Property by the Tenants, Automobile Liability insurance with a limit of not less than Five Million Dollars (\$5,000,000.00), Tenant's Legal Liability, and Property Insurance covering their own property including tenant improvements

Security Deposit: \$2,717.03 (being the sum of \$1,302.09 plus HST for the first month's rent and \$1,414.94 for the last month's rent of the term)

Early Termination: The Landlord shall have the right to terminate the Lease upon providing six (6) months or (180) days written notice without any payment or compensation to the Tenant.

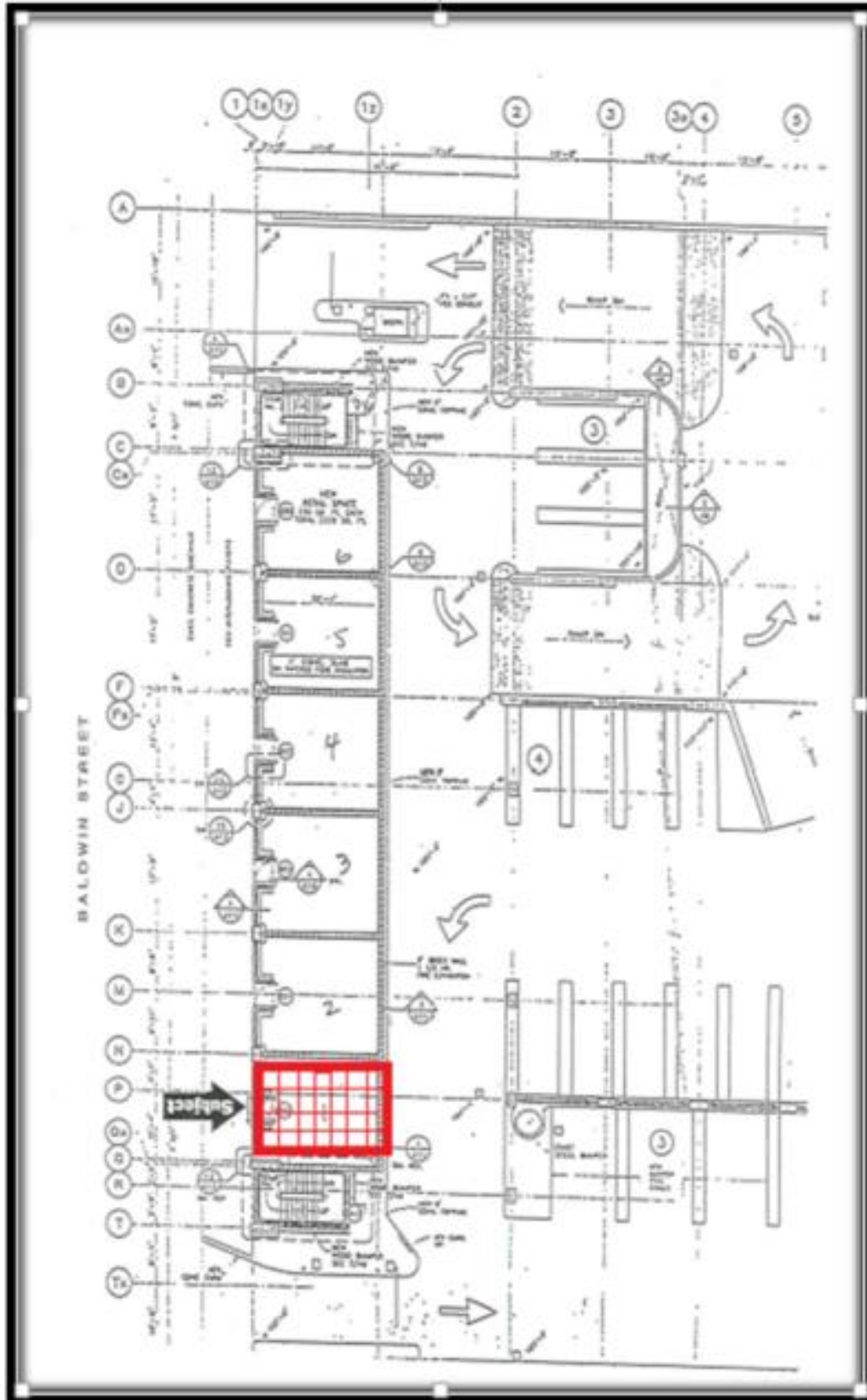
APPENDIX 'A'
FINANCIAL IMPACT

Fiscal Year	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Basic Rent (Before HST)	9,610	15,905	16,656	17,509	17,957	18,316	18,689	19,049	19,437	19,826	2,669
Operating Costs (Before HST)	2,402	2,823	2,881	2,936	2,996	3,056	3,118	3,178	3,243	3,308	445
Realty Tax (Before HST)	4,430	5,206	5,312	5,414	5,524	5,635	5,750	5,860	5,980	6,099	821
Additional Rent (Before HST)	-	-	-	-	-	-	-	-	-	-	-
Total Before HST (for Lease Out)	16,442	23,934	24,848	25,859	26,477	27,007	27,557	28,087	28,660	29,233	3,935

APPENDIX 'B'
SITE LOCATION MAP



APPENDIX 'C'
SITE PLAN



APPENDIX 'D'
SITE PHOTOGRAPHS

