

DELEGATED APPROVAL FORM
DEPUTY CITY MANAGER, INTERNAL CORPORATE SERVICES
DIRECTOR OF REAL ESTATE SERVICES

TRACKING NO.: 2017-315

- 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:	Derek Wei	Division:	Real Estate Services
Date Prepared:	November 23, 2017	Phone No.:	416 392 1259

Purpose	To obtain authority to extend the existing lease and enter into a lease extension agreement with the Landlord, 1938364 Ontario Inc., c/o Jardin Homes, for the property located at 1117 Finch Avenue West (the "Premises"), shown as Subject Property on Schedule "B", leased by the City for use by Toronto Employment & Social Services ("TESS") for a further term of 2 months from January 1, 2018 to February 28, 2018.
Property	The freestanding single-storey building and surrounding surface parking area at the property municipally known as 1117 Finch Avenue West.
Actions	<ol style="list-style-type: none"> 1) authority be granted to extend and amend the existing Lease for an extension term of two (2) months by entering into a lease extension agreement with the Landlord, subject to the terms and conditions on pages 4 and 5 of this form and on such other or amended terms as may be satisfactory to the Director of Real Estate Services and in a form acceptable to the City Solicitor; 2) the Director of Real Estate Services 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 Financial Officer may, at any time, refer consideration of such matter to City Council for its determination and direction; 3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>The total rental for the two (2) month extension, inclusive of minimum rent, operating costs, and utilities will be approximately \$127,998.35 plus HST. The City will not be required to pay this amount. The Landlord will apply/offset this amount of \$127,998.34 against the sum of \$227,456.68 owed by the Landlord to the City, with respect to realty tax overpayments by the City.</p> <p>The Acting Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>TESS has been providing services in North York West at this location as a tenant of the Premises since 1995. Over time, the lease has been renewed a number of times, the most recent of which will expire on December 31, 2017. TESS will be leaving the Premises and relocating to its new offices located at 1 York Gate Boulevard, Unit 1108B. In order to accommodate the timing of the move to the new offices, TESS requires two (2) additional months at the Premises. Staff of Real Estate Services, in consultation with staff from TESS, have negotiated with the Landlord for a further two (2) month extension of the lease. All other terms and conditions of the existing lease shall remain the same except as outlined in Appendix I on page 4, Major Terms and Conditions.</p> <p>Real Estate Services staff consider the terms and conditions of this proposed lease extension to be fair and reasonable, and at market rates.</p>
Terms	See Appendix I on page 4 for Major Terms and Conditions.

Property Details	Ward:	08 – York West
	Assessment Roll No.:	1904-03-3-430-00100
	Approximate Size:	
	Approximate Area:	18,930 ft ² ±
	Other Information:	


A.	Director of Real Estate Services has approval authority for:	Deputy City Manager, Internal Corporate Services 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:	Delegated to a more senior position.	<input type="checkbox"/> Issuance of RFPs/REOs.
4. Permanent Highway Closures:	Delegated to a more senior position.	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.
5. Transfer of Operational Management to ABCDs:	Delegated to a more senior position.	<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:	Delegated to a more senior position.	<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 \$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 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 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"/> (b) When closing road, easements to pre-existing utilities for nominal consideration.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million. Delegated to a less senior position.
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. Deputy City Manager, Internal Corporate Services 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.

Deputy City Manager, Internal Corporate Services 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:		Councillor Anthony Perruzza				Councillor:						
Contact Name:						Contact Name:						
Contacted by:		Phone	x	E-Mail	Memo	Other	Contacted by:		Phone	E-mail	Memo	Other
Comments:		Consent to proceed				Comments:						
Consultation with ABCDs												
Division:		Toronto Employment & Social Services				Division:		Financial Planning				
Contact Name:		Darrin Vermeersch				Contact Name:		Patricia Libardo				
Comments:		Consent to proceed				Comments:		Consent to proceed				
Legal Division Contact												
Contact Name:		Joanne Franco										
DAF Tracking No.: 2017-315						Date		Signature				
Recommended by:		Acting Manager of Leasing and Site Management, Daran Somas				11/23/2017						
<input type="checkbox"/>	Recommended by:	Director of Real Estate Services David Jollimore				11/23/17		X				
<input checked="" type="checkbox"/>	Approved by:							X				
<input type="checkbox"/>	Approved by:	Deputy City Manager, Internal Corporate Services 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 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 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 (i.e. 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 I

Major Terms and Conditions

Landlord:

1938364 Ontario Inc., c/o Jardin Homes

Tenant:

City of Toronto

Premises:

The freestanding single-storey building of approximately 18,930 square feet of rentable area and surrounding surface parking area on the property municipally known as 1117 Finch Avenue West, and as shown on page 6 of this form.

Commencement Date:

The Commencement Date shall be January 1, 2018.

Extension Term:

Two months, from January 1, 2018 to February 28, 2018.

Realty Tax Overpayment by the City:

	S/sf	Monthly	Two Months
Basic Rent	\$36.00	\$56,790.00	\$113,580.00
Additional Rent	\$4.57	\$7,209.18	\$14,418.35
Total	\$40.57	\$63,999.18	\$127,998.35

The City has overpaid to the Landlord approximately \$227,456.68 in Realty Taxes for the period from October 1, 2015 to July 31, 2017 (the "Realty Tax Overpayment"). As agreed to by the Landlord, the City will not pay the total December 2017 rent of \$33,548.07. This amount, together with the total rent of \$127,998.35 plus HST for the two (2) month extension, will be applied/offset against the Realty Tax Overpayment owed by the Landlord to the City. This results in an outstanding amount of approximately \$66,000.00, owed by the Landlord to the City. Commencing January 1, 2018, the Landlord will pay to the City, \$10,000.00 plus interest of 7% per annum on a monthly basis, until the Realty Tax Overpayment has been repaid in full to the City.

Municipal Capital Facility Tax Exemption:

The Municipal Capital Facility Agreement between the City and 2069208 Ontario Inc., the predecessor in title, dated October 23, 2012, shall remain in full force and effect during the extended term.

Appendix I

Location Map

