

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

**TRACKING NO.: 2018-014**

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:	Loretta Ramadhin	Division:	Real Estate Services
Date Prepared:	January 4, 2018	Phone No.:	416-392-7169

<b>Purpose</b>	To obtain authority for the City of Toronto, as tenant, to enter into a lease agreement (the "Lease") with Canada Tan International Inc. (the "Landlord"), at 348 Davenport Road.
<b>Property</b>	The lands and building municipally known as 348 Davenport Road, Toronto, Ontario, legally described as Parcel 22-1, Section M52; Part Lot 22, Plan M52, Toronto, being Part 1 on Reference Plan 66R-15261, together with a right of way over Part 2 on Reference Plan 66R-15261, attached as Appendix "B" (the "Property") and shown on the location map attached as Appendix "C".
<b>Actions</b>	<ol style="list-style-type: none"> <li>The City enter into the Lease with the Landlord to lease the Property for a term commencing on the later of January 12, 2018 or the date the City executes the Lease, and expiring on the earlier of: (i) the date upon which the City acquires ownership of the Property, as discussed below; and (ii) December 31, 2018,, on the terms and conditions set out in Appendix "A", and any other or amended terms and conditions as may be deemed appropriate by the Director of Real Estate Services, and in a form acceptable to the City Solicitor;</li> <li>The Director of Real Estate Services or his designate administer and manage the Lease, including the provision of any consents, approvals, waivers, notices, and notices of termination, provided that the Director of Real Estate Services may, at any time, refer consideration of such matters to City Council for its determination and direction;</li> <li>The appropriate City officials are authorized and directed to take the necessary action to give effect thereto.</li> </ol>
<b>Financial Impact</b>	<p>The net rent for the Property during the term of the Lease will be:</p> <p>i) \$16.00 per square foot per annum for the 10,523 square feet above grade, for a total of \$171,331.28, net of HST recoveries or \$168,368.00 exclusive of HST; and</p> <p>ii) \$8.00 per square foot per annum for the 6,808 square feet below grade for a total of \$55,422.57, net of HST recoveries or \$54,464.00 exclusive of HST.</p> <p>The total net rent is \$226,753.85 per annum, net of HST recoveries or \$222,832.00 exclusive of HST, payable in advance in equal monthly installments of \$\$18,569.33. Funding is available in the 2018 Preliminary Operating Budget for Shelter, Support and Housing Administration (SSHA) under account CHS040.</p> <p>In the event that the City acquires ownership of the Property, upon closing, the purchase price will be adjusted so that the Tenant is credited with all amounts of net rent paid under this Lease throughout the term.</p> <p>The Acting Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
<b>Comments</b>	The Landlord, as owner of the Property, has submitted an Offer to Sell the Property to the City. In the event City staff recommend the acceptance of this Offer, separate authority for the purchase of the Property will be sought. Shelter, Support and Housing Administration ("SSHA") is interested in leasing the Property in advance of the potential purchase to be used as a new low barrier winter respite site and possibly for other shelter needs. SSHA will obtain the required authority for opening new shelter facilities.
<b>Terms</b>	Refer to Appendix "A"

<b>Property Details</b>	<b>Ward:</b>	20- Trinity-Spadina
	<b>Assessment Roll No.:</b>	19 04 052 440 010 00
	<b>Approximate Size:</b>	336.4 m <sup>2</sup> ± (3,621 ft <sup>2</sup> ±)
	<b>Approximate Area:</b>	
	<b>Other Information:</b>	

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 &amp; Parks &amp; 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><b>Delegated to a more senior position.</b></p> <p><b>Delegated to a more senior position.</b></p> <p><b>Delegated to a more senior position.</b></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><b>Delegated to a more senior position.</b></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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></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><b>Delegated to a more senior position.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to a more senior position.</b></p> <p><b>Delegated to a more senior position.</b></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 &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><b>Delegated to a more senior position.</b></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 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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></p> <p><input checked="" 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				Councillor:				
Contact Name:	Lia Brewer				Contact Name:				
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other		
Comments:	December 12, 2017 (no concerns)				Comments:				
Consultation with Divisions and/or Agencies									
Division:	Shelter, Support and Housing Administration				Division:	Financial Planning			
Contact Name:	Irene Gryniewski				Contact Name:	Ciro Tarantino			
Comments:	No comments				Comments:				
Legal Division Contact									
Contact Name:	Jack Payne								

DAF Tracking No.: 2018- 014	Date	Signature
Recommended by:		
<input checked="" type="checkbox"/> Recommended by: <b>Manager, Real Estate Services</b> Tim Park	Jan. 4, 2018	Tim Park
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: <b>Director, Real Estate Services</b> David Jollimore	Jan. 4, 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 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 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.

## Appendix "A"

### Terms and Conditions

- Landlord:** Canada Tan International Inc.
- Tenant:** City of Toronto
- Net Rent:** \$222,832 per annum, payable in equal monthly instalments of \$18,569.33 per month. In addition, the Tenant shall pay any HST, realty taxes, utilities and non-capital repairs and maintenance costs, subject to certain items which are the Landlord's responsibility. The Tenant shall be responsible for damage caused by the negligence or misconduct of the Tenant or shelter residents.
- Term:** Commencing on the later of January 12, 2018 or the date the Tenant executes the Lease, and expiring on the earlier of: (i) the date upon which the Tenant acquires ownership of the Property, should such acquisition be approved by the necessary City authorities; and (ii) December 31, 2018.
- Early Termination:** The Tenant shall have the right to terminate the Lease upon giving written notice not less than sixty (60) days before the termination date.
- Use:** The Property shall be used and operated by the Tenant and/or any community operator and its authorized members to provide accommodation as a shelter facility (including a low barrier winter respite site) for residents.
- As Is Condition:** The Tenant accepts the Property in its "as is" condition. The Tenant shall provide janitorial, cleaning and outside grounds keeping at its sole expense.
- Parking:** The Tenant is permitted to use any existing parking spaces at the Property at no extra charge.
- Tenants Insurance:** The Tenant shall take out and maintain with respect to the Property and the Tenant's use and provide to the Landlord certificates of legal liability insurance for bodily injury or death or property damage resulting from each occurrence in the amount of not less than Five Million Dollars (\$5,000,000.00). The Landlord shall be added as an additional insured to the policy.
- Surrender of Property:** At the end of the Term, in the event the Tenant has not acquired ownership of the Property, the Tenant is not required to remove any fixtures or leasehold improvements or restore the Property, except to the extent that the Landlord requires removal of any fixtures or leasehold improvements made or installed by the Tenant.
- Acquisition of Property:** In the event that the Tenant acquires ownership of the Property, upon closing, the purchase price will be adjusted so that the Tenant is credited with all amounts of net rent paid throughout the Term.
- Assignment:** Save as provided under the permitted use clause, the Tenant shall not assign, sublet or part with possession of the whole or part of the Property without the Landlord's consent. In the event the Tenant does not accept the Landlord's Offer to Sell the Property, the Landlord can assign the Lease to a purchaser of the Property without the Tenant's consent.



### Appendix "C"

#### Location Map

