

**DELEGATED APPROVAL FORM  
CITY MANAGER**

TRACKING NO.: 2018 -202

**DEPUTY CITY MANAGER, INTERNAL CORPORATE SERVICES**

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:	Patricia Pearsall-Mills	Division:	Toronto Parking Authority
Date Prepared:	June 19, 2018	Phone No.:	(416) 393-7259

<b>Purpose</b>	To obtain approval for the City of Toronto ("City", "Landlord") to enter into a Lease Agreement ("Agreement" or "Lease") with Dr. Elon Griffith Dentistry Professional Corporation (the "Tenant") with respect to Units 4 & 5, approximately 1,156 square feet, at 25 Hayden Street / 20 Charles Street East (Carpark 1, the "Property") for a term of ten (10) year and three (3) months with the option to renew the Lease for a further two (2) terms of five (5) years.
<b>Property</b>	Approximately 1,156 square feet of space on the ground floor in a portion of the building known municipally as 25 Hayden Street / 20 Charles Street East.
<b>Actions</b>	<ol style="list-style-type: none"> <li>Approval be granted for City to enter into a Lease Agreement ("Agreement") with Dr. Elon Griffith Dentistry Professional Corporation (the "Tenant") for a ten (10) years and three(3) month term with the option to renew the Lease for a further two (2) terms of five (5) years.</li> <li>The appropriate City staff be authorized and directed to take the necessary action to give effect thereto.</li> </ol>
<b>Financial Impact</b>	<p>The agreement will generate a total of \$1,667,530.00 in revenue to City for the term of the lease, including if the two (2) options to extend are exercised. Over the ten (10) year term, City will receive \$800,530.00 in basic rent and \$208,423.91 in operating cost recovery. Option 1 (years 11 to 15) is estimated to be valued at \$424,830.00 and Option 2 (years 16 to 20) is estimated to be valued at \$442,170.00 in basic rent and \$101,670.20 in operating costs for each Option.</p> <p>The Deputy City Manager &amp; Interim Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
<b>Comments</b>	<p>Carpark 1, located east of Yonge Street, just south of Bloor Street (see attached Site Location Map), was completely closed until August 31, 2017 for the construction of two (2) additional parking levels. As part of this construction work, the ground floor tenant spaces, five (5) units in total, were retrofitted (refer to Appendix 'A' – Tenant Space Layout).</p> <p>At its meeting of January 19, 2017 (TPA Board Meeting Minute No. 17-015), the TPA Board of Directors authorized staff to retain Paracom Realty Corporation ("Paracom"), a retail / commercial broker to market, list and lease the vacant retail spaces at the Property.</p> <p>At its meeting of February 10, 2017 (TPA Board Meeting Minute No. 17-029), the TPA Board of Directors authorized staff to negotiate and enter into new tenant lease agreement and existing tenant lease renewals based on a set of pre-determined market leasing criteria.</p>
<b>Terms</b>	See page 4 for Major terms and conditions

<b>Property Details</b>	<b>Ward:</b>	27 – Toronto Centre-Rosedale
	<b>Assessment Roll No.:</b>	
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	107.4 m <sup>2</sup> ± (1,156 ft <sup>2</sup> ±)
	<b>Other Information:</b>	

A.	Deputy City Manager, Internal Corporate Services has approval authority for:	City Manager has approval authority for:
<p>1. Acquisitions:</p> <p>2. Expropriations:</p> <p>3. Issuance of RFPs/REOs:</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:</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 \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions and Agencies.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 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 \$5 Million.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding twelve (12) months, including licences for environmental assessments and/or testing, etc.</p> <p><input type="checkbox"/> (c) Where compensation is less than market value, provided tenant and lease satisfy Community Space Tenancy Policy criteria set out in Item EX28.8, as adopted by Council on November 7, 8 and 9, 2017.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 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/Cautions</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>	<p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 Million.</p> <p><b>Delegated to a less senior position.</b></p> <p><b>Delegated to a less senior position.</b></p> <p><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.</p> <p><b>Delegated to a less senior position.</b></p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$10 Million.</p> <p><input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).</p> <p><b>Delegated to a less senior position.</b></p>

<p><b>B. City Manager and Deputy Manager, Internal Corporate Services each has signing authority on behalf of the City for:</b></p> <ul style="list-style-type: none"> <li>• Documents required to implement matters for which he or she also has delegated approval authority.</li> </ul>
<p><b>Deputy City Manager, Internal Corporate Services also has signing authority on behalf of the City for:</b></p>
<ul style="list-style-type: none"> <li>• Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.</li> <li>• Expropriation Applications and Notices following Council approval of expropriation.</li> </ul>

Consultation with Councillor(s)															
Councillor:	Kristyn Wong-Tam				Councillor:										
Contact Name:	Tristian Downe-Dewdney				Contact Name:										
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		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:	Patricia Pearsall-Mills				Contact Name:	Patricia Libardo									
Comments:	Signed off on 07/04/2018				Comments:	Signed off on 5/23/2018									
Legal Division Contact															
Contact Name:	David Eveline Signed off on 06/19/2018														

DAF Tracking No.: 2018- 202	Date	Signature
Recommended by: Manager, Real Estate Services, Tim Park	July 5, 2018	Signed by Tim Park
Recommended by: Director, Real Estate Services	July 10, 2018	For Signed by Nick Simos
<input type="checkbox"/> Recommended by: Deputy City Manager, Internal Corporate Services	July 11, 2018	Signed by Josie Scioli
<input checked="" type="checkbox"/> Approved by: Josie Scioli		
<input type="checkbox"/> Approved by: City Manager, Peter Wallace		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. 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.

## Major Terms and Conditions

Landlord: City of Toronto

Tenant: Dr. Elon Griffith Dentistry Professional Corporation

Property: Units 4 & 5 at 20 Charles Street East / 25 Hayden Street (Carpark 1), Toronto, ON

Leased Area: Approximately 1,156 square feet

Use: Dental Health Office including general and specialty dentistry and dental hygiene services

Term: Ten (10) years and three (3) months commencing August 1, 2017 and expiring October 31, 2027

Basic Rent: Year 1 – 3 basic rent will be \$65.00/sq.ft (\$75,140.00 per annum), for Year 4-7 \$67.50/sq.ft (\$78,030.00 per annum) and Year 8-10 \$70.00/sq.ft (\$80,920.00 per annum)

Additional Rent: The lease is net to the Landlord, with the tenant being responsible for their proportionate share of Realty taxes and Operating costs. For 2018 additional rent is estimated at \$17.59/sq.ft (\$20,334.04 per annum).

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 \$2,000,000 per occurrence

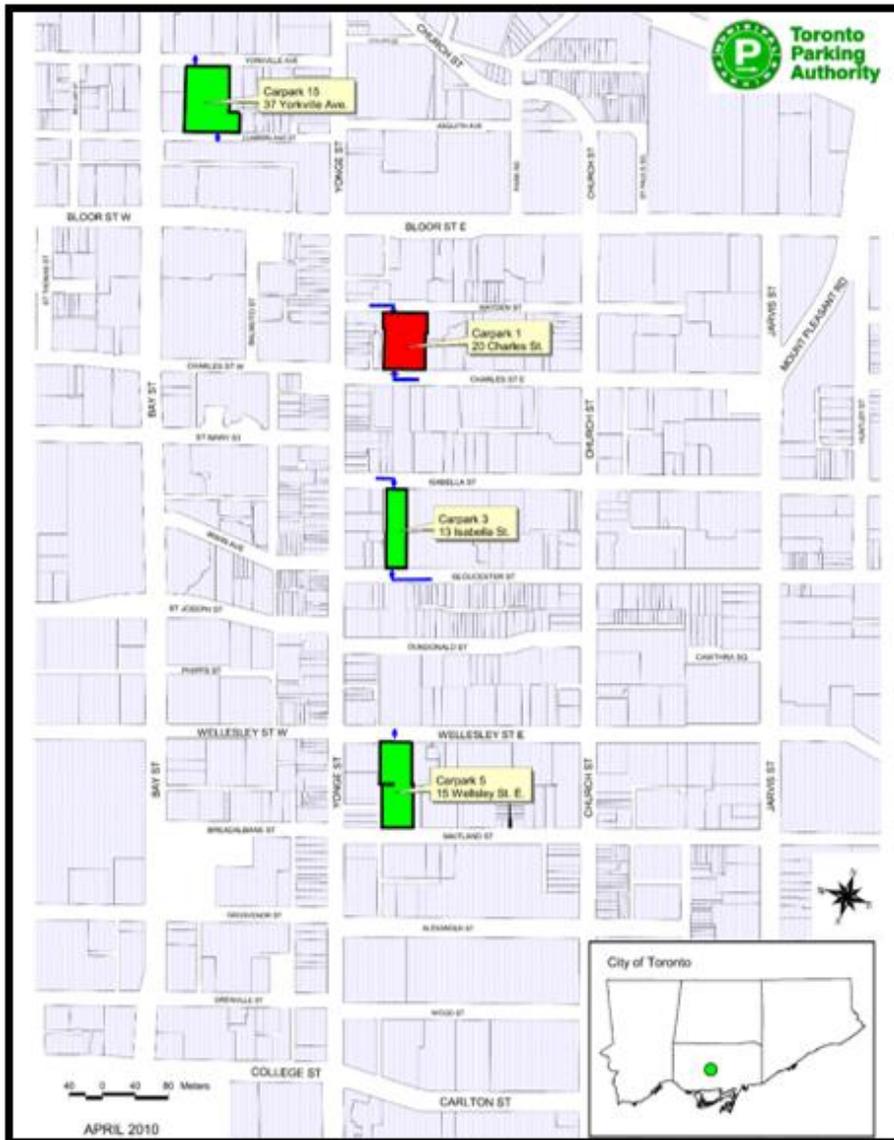
Prepaid Rent: \$7,956.17 plus HST (being the sum of first month's rent \$6,261.67 plus additional rent \$1,694.50)

Security Deposit: \$8,437.84 (being the sum of \$6,743.33 for the last month's rent of the term plus additional rent \$1,694.50) plus HST

Option to Renew: Tenant has the option to renew the Lease for a further two (2) terms of five (5) years on the same terms and conditions save and except for Minimum Rent.

Early Termination: If after the initial ten (10) year term, the Landlord shall have the right to terminate the Lease upon providing six (6) month written notice without any payment or compensation to the Tenant.

# Site Location Map



### Tenant Space Layout

