

**DELEGATED APPROVAL FORM
CITY MANAGER
DEPUTY CITY MANAGER, INTERNAL CORPORATE SERVICES**

TRACKING NO.: 2018-281

Approved pursuant to the Delegated Authority contained in Item EX27.12, as adopted by City Council on October 2, 3 & 4, 2017, as amended by Item GM27.12, adopted by City Council on May 22, 23 & 24, 2018 or, where applicable, in Item EX28.8, as adopted by City Council on November 7, 8 & 9, 2017

Prepared By:	Loretta Ramadhin	Division:	Real Estate Services
Date Prepared:	July 30, 2018	Phone No.:	416-392-7169

Purpose	To obtain authority for the City of Toronto, as tenant, to accept an Offer to Lease and enter into a Lease (the "Lease") with 545 Lakeshore West Property Inc. (the "Landlord"), for the Property (as defined below) at 545 Lake Shore Blvd. W.		
Property	The property municipally known as 545 Lake Shore Blvd. W. and legally described as PT BLK D PL D1397 TORONTO; PT BLK 3-4 PL D1429 TORONTO PT 5 63R4555, PT 1 64R13502; SUBJECT TO AN EASEMENT AS IN AT4536447; CITY OF TORONTO, Being all of PIN 21418-0112 (LT) (the "Property") and shown outlined in red on Plan 63R4555 and on Plan 64R13502 in Appendix "B" and on the Location Map in Appendix "C".		
Actions	<ol style="list-style-type: none"> The City accept the Offer to Lease and enter into the Lease with the Landlord to lease the Property for a term commencing on September 15, 2018 and expiring on September 30, 2019, 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 City Manager, and in a form acceptable to the City Solicitor; The City Manager or her designate administer and manage the Lease, including the provision of any consents, approvals, waivers, notices, extensions and notices of termination, provided that the City Manager may, at any time, refer consideration of such matters to City Council for its determination and direction; The appropriate City officials are authorized and directed to take the necessary action to give effect thereto. 		
Financial Impact	<p>The net rent for the Property during the first term of the Lease is \$2,696,640 per annum, net of HST recoveries or \$2,650,000 exclusive of HST, payable in advance in equal monthly installments of \$220,833.33. The net rent for the Property during the second term of the Lease if that option is exercised, is \$2,798,400, net of HST recoveries or \$2,750,000 exclusive of HST, payable in advance in equal monthly installments of \$229,166.67. Additionally, work required to the property to make it suitable for the City's use as a shelter is estimated at \$300,000.</p> <p>Funding is available in the 2018 Operating Budget for Shelter, Support and Housing Administration (SSHA) under account FH5351.</p> <p>The Interim Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>The Property consists of approximately 90,040 sq ft building with a basement and four floors. Shelter, Support and Housing Administration ("SSHA") requires the Property to be used as a shelter and/or 24 hour respite centre through a purchase of service provider. The focus of the shelter portion will be on the second and third floors for couples experiencing homelessness. The basement and main floor will be for approximately 100 respite clients during the winter season or until other locations are set up. Both uses will provide supports, be pet friendly and accessible. The Property also consists of parking lot lands which has approximately 130 parking lot stalls that can be operated for revenue through the Toronto Parking Authority or another third party provider.</p> <p>At its meeting of June 26, 27, 28 and 29, 2018, City Council adopted CD29.8, authorizing the General Manager or SSHA to enter into new or amend existing agreements to open and operate shelters, as outlined in the 2019 Shelter Infrastructure Plan. SSHA will obtain the required authority for opening new shelter facilities.</p> <p>Rogers Media Inc. ("Rogers") is the current tenant of the building, but intends on vacating completely by September 15, 2018. Rogers has agreed to provide written consent and surrender their lease to 5,620 square feet of rentable area above grade and 14,970 square feet of rentable area below grade, and allow the City occupy those areas for fixturing and shelter purposes, prior to their vacating the entire building and the actual lease commencement.</p>		
Terms	Refer to Appendix "A"		
Property Details	Ward:	20 – Trinity-Spadina	
	Assessment Roll No.:	19 04 062 040 007 51	
	Approximate Size:		
	Approximate Area:	8,364.99 m ² ± (90,040 ft ² ±)	
	Other Information:		

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/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:</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/REOIs.</p> <p><input type="checkbox"/> Initiate process & 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 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"/> (a) Where total compensation does not exceed \$5 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 \$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>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</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>Delegated to a less senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.</p> <p>Delegated to a less senior position.</p> <p>Delegated to a less senior position.</p> <p><input checked="" 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>Delegated to a less senior position.</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>Delegated to a less senior position.</p>

B. City Manager and Deputy Manager, Internal Corporate 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.

Deputy City Manager, Internal Corporate 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.
- Expropriation Applications and Notices following Council approval of expropriation.

Consultation with Councillor(s)															
Councillor:	Councillor Cressy				Councillor:										
Contact Name:	Lia Brewer				Contact Name:										
Contacted by:	Phone	x	E-Mail		Memo		Other	Contacted by:	Phone		E-mail		Memo		Other
Comments:	Emailed July 20, 2018				Comments:										
Consultation with Divisions and/or Agencies															
Division:	Shelter, Support and Housing Administration				Division:	Financial Planning									
Contact Name:	Irene Gryniewski				Contact Name:	Patricia Libardo									
Comments:	concurs				Comments:	concurs									
Legal Division Contact															
Contact Name:	Jack Payne														

DAF Tracking No.: 2018-281	Date	Signature
Recommended by: Manager, Real Estate Services T. Park	July 31, 2018	Signed by Tim Park
Recommended by: Director, Real Estate Services D. Jollimore	July 31, 2018	Signed by David Jollimore
<input checked="" type="checkbox"/> Recommended by: Deputy City Manager, Internal Corporate Services <input type="checkbox"/> Approved by: Josie Scioli	July 31, 2018	Signed by Josie Scioli
<input checked="" type="checkbox"/> Approved by: Interim City Manager Giuliana Carbone	July 31, 2018	Signed by Giuliana Carbone

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.
- (dd) Where the City is transacting with a public agency, and such agency requires that an unqualified environmental indemnity be granted by the City, the authority to acquire property includes authority to grant such an indemnity, provided that the Phase I and Phase II environmental site assessments undertaken on behalf of the City have identified no significant environmental impacts or human health threats, with no, or minor action required ("Low Risk").

Appendix "A"

Terms and Conditions

Landlord:	545 Lakeshore West Property Inc.
Premises:	The Building and Lands comprising the Property at 545 Lake Shore Blvd. W. Toronto
Net Rent:	\$2,650,000 per annum, payable in equal monthly installments of \$22,083.33 for the Term and \$2,750,000 per annum, payable in equal monthly installments of \$229,166.67 for the Extended Term, should the City exercise its Option to Extend.
Additional Costs:	<p>1) Any applicable HST;</p> <p>2) The City is responsible for all repairs, replacements and maintenance of the Property, including, without limitation, the roof, HVAC, elevator, and Building equipment and systems, at its sole expense, provided that in the event of substantial damage or destruction by fire, lightning, tempest or similar casualty not caused by the City, its employees or agents that in the Landlord's reasonable opinion renders forty percent or more of the Premises unusable, the City has no obligation to repair, replace or rebuild the Property or any part thereof;</p> <p>3) All utilities;</p> <p>4) All realty taxes, subject to the City obtaining approval for and entering into a Municipal Capital Facility Agreement, under which any tax exemption would be to the benefit of the City.</p>
Term:	Commencing on September 15, 2018 until September 30, 2019.
Option to Extend:	The City will have the right to extend the Term for a further period one year upon delivery of written notice not less than four (4) months before the expiry of the Term, upon the same terms and conditions of the as the Term, except there is no further option to extend, net rent will be as set out above, and the Landlord will have the right to terminate the lease at any time during the Extension Term upon four months' written notice.
Fixturing Period:	The City is entitled to possession of the Property during a period commencing on the day after the Landlord obtains the approval of Rogers and ending a day prior to the Commencement Date to make the Property ready for occupation. In the event the City completes the fixturing of all or part of the Property before the end of the Fixturing Period, it will be entitled to commence its use of the Property. The City will not be required to pay net rent or realty taxes during the Fixturing Period, but shall pay all utilities and comply with all other obligations under the Lease.
Use:	The Property shall be used and operated by the City and/or any community operator and its authorized members to provide accommodation as a shelter facility for residents, which includes a low barrier respite site and/or a refugee reception centre. The City will be entitled to operate the lands surrounding the building as a parking facility to be operated by the Toronto Parking Authority or a third party provider. The City is also entitled to use all parking spaces at no charge. The City shall remove all waste and provide security services at its own cost. The City shall use best efforts to assist the Landlord in responding to any negative publicity regarding the Lease and/or use of the Property and confirm as required that the Landlord leased the Property at the City's request. In the case of any City default under the Offer to Lease or Lease the Landlord may cure the default at the City's cost plus a 15% administration fee.
As Is Condition:	The Tenant accepts the Property in its "as is, where is" condition (including with respect to suitability for use, zoning and environmental condition) except that prior to the commencement of the Fixturing Period, the Landlord will remove all furniture and equipment, except for any items the City requests be left.
Tenant's Work	The City shall undertake the Tenant's Work set out in Schedule "B" of the Offer to Lease, at its sole expense, and any other alterations necessary for its use of the Property.
Assignment:	Except for third party providers to operate the shelter facility or the parking lot lands, the City will not assign, sublet or part with possession of the whole or part of the Property.

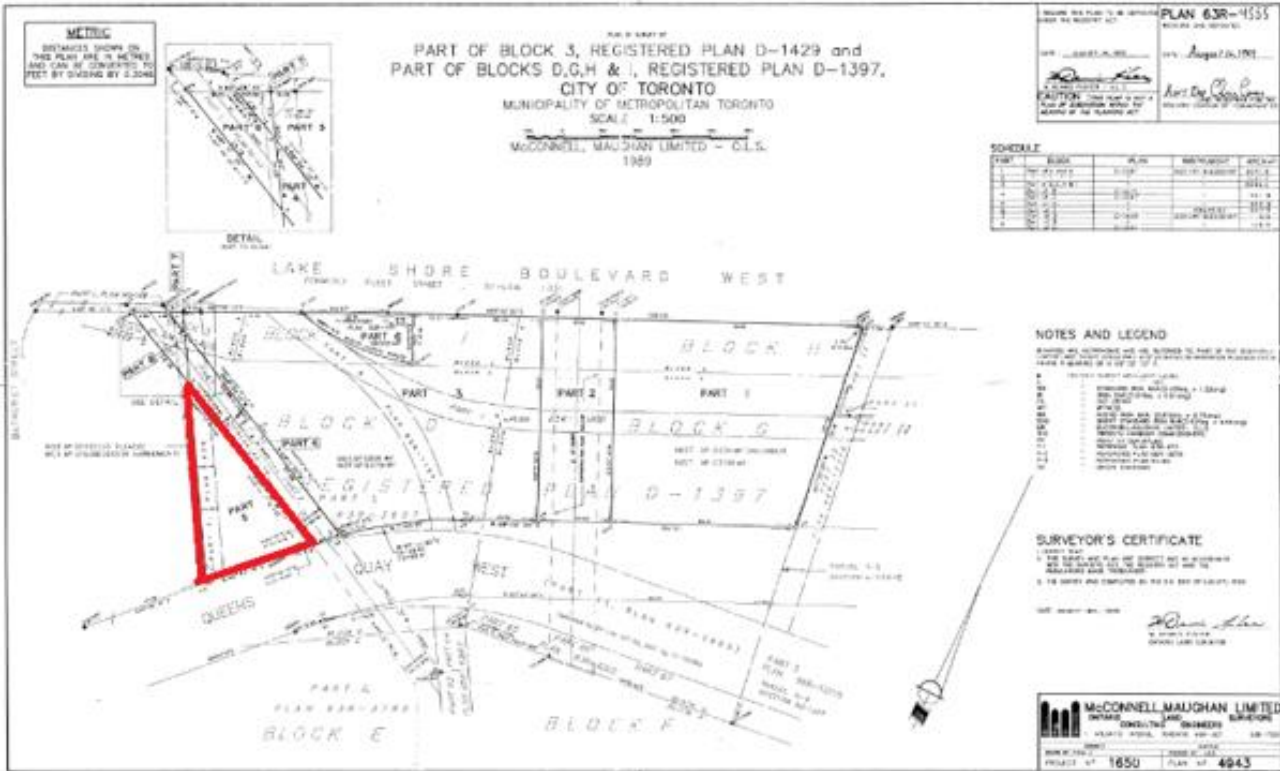
Appendix "A" cont'd

Terms and Conditions

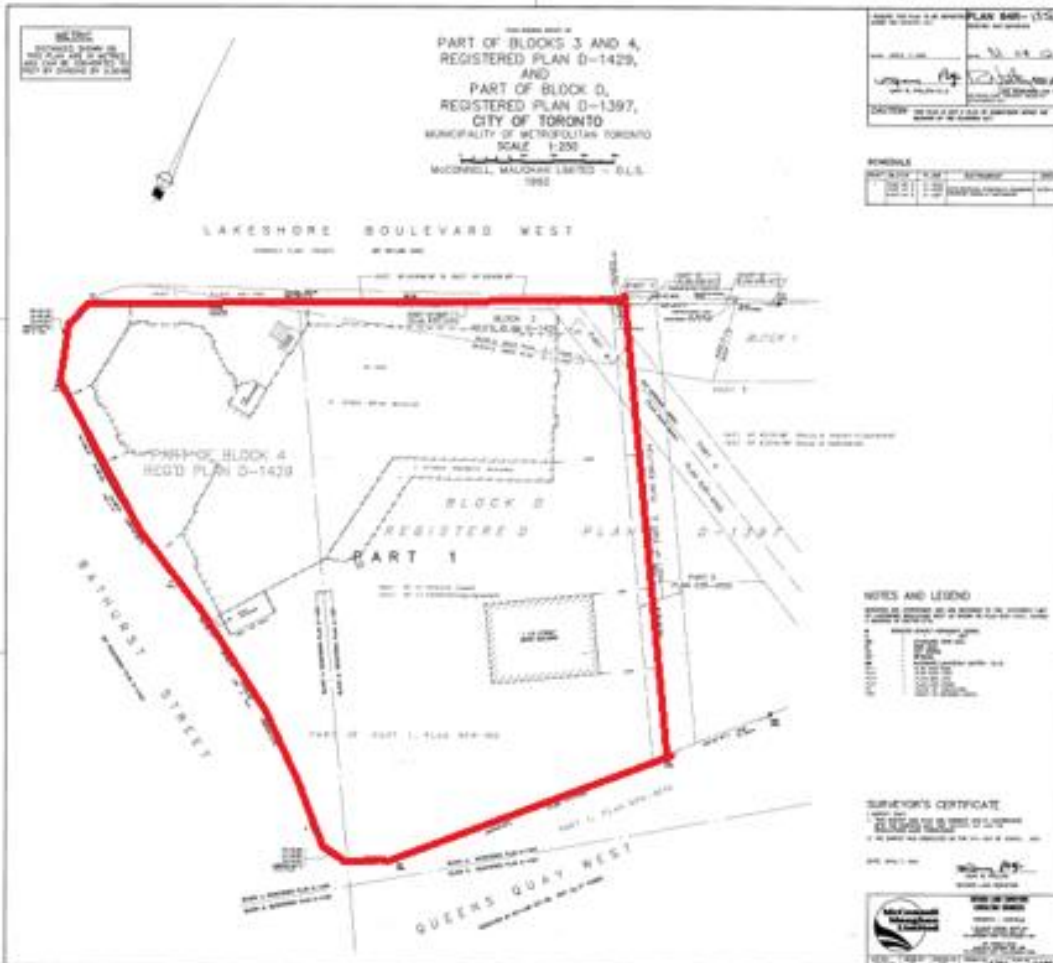
- Restoration:** If requested by the Landlord, the City at its sole cost will remove any leasehold improvements installed by it or any community operators or residents and restore the Property to the condition at the first day of the Fixturing Period. The City shall remove its trade fixtures and personal property and repair and damage caused by their installation or removal.
- Asbestos & Hazardous:** The City accepts the environmental condition of the Building and lands comprising the Property. The City indemnifies and saves harmless the Landlord and those for whom it is legally responsible against all liabilities, claims, damages, losses and expenses, penalties, fines and sanctions, including costs of remediation of Hazardous Substances, any fines and damages and including all legal and other consultants' fees and disbursements, due to, arising from or to the extent contributed to by:
1. any act or omission by the City which results in the presence of any Hazardous Substance at the Building or the Lands or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Building or the Lands of any Hazardous Substance, whether or not in compliance with Environmental Laws and Environmental Approvals;
 2. the presence of any Hazardous Substance at, in, on, upon or within the Building or the Lands that was caused by the City or its employees, invitees, contractors or agents, or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Building or the Lands of any Hazardous Substance as a result of the act or omission of the City or its employees, invitees, contractors or agents;
 3. any remedial order or any Environmental Claim affecting the Building or the Lands or their use which results from an act or omission of the City or its employees or agents;
 4. any non-compliance with Environmental Laws or Environmental Approvals pertaining to the Building or the Lands arising from its use by the City or its employees or agents;
 5. the removal, storage or disposition of any Hazardous Substance brought on to the Property by the City or its employees or agents; and
 6. any and all claims by the Tenant's employees, agents, any community operator and its/their authorized member(s), residents and any other occupant or user of the Property that may arise as a result of the presence of any Hazardous Substance at, in, on, upon or within the Property and/or the environmental condition of the Property.
- The Landlord shall not be liable for any interruption of or interference with the City's use of the Property or any death or any injury suffered by the City or any employee, agent, invitee or other occupant or user of the Property that may arise as a result of the presence of any Hazardous Substance at, in, on, upon or within the Property and/or the environmental condition of the Property.
- Overholding:** If the City remains in possession of the Property following the expiration of the Term or Extended Term, if exercised, without the execution and delivery of a new lease, the City will be a month to month tenant and pay as net rent in advance on the first day of each month of such overholding period, four (4) times the net rent payable in the Term or Extended Term, as applicable.
- Landlord Condition:** The Offer to Lease is conditional upon the Landlord obtaining Rogers approval of this Offer prior to August 15, 2018.

Appendix "B"

Plan 63R-4555



Plan 64R-13502



Appendix "C"

Location Map

