

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

TRACKING NO.: 2018-266

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:	Daran Somas	Division:	Real Estate Services
Date Prepared:	July 25, 2018	Phone No.:	416 397 7671

Purpose	To obtain authority to enter into a five (5) year lease agreement with The Great-West Life Assurance Company and London Life Insurance Company, as Landlord, and the Toronto Public Library Board, as Tenant, for approximately 1,600 square feet of rentable space in the North York Centre Mall, concourse level, unit C13 at 5150 Yonge Street, Toronto.
Property	Unit C13, 5150 Yonge Street, Toronto, ON (see page 5 for location map)
Actions	<ol style="list-style-type: none"> 1. authority be granted to enter into a lease agreement ("Lease") with The Great-West Life Assurance Company and London Life Insurance Company, as Landlord, and the City, as Tenant, for a five (5) year term commencing August 1, 2018 and ending July 31, 2023 for approximately 1,600 square feet of rentable space in the North York Centre Mall, concourse level, unit C13 at 5150 Yonge Street (the "Premises"), substantially on the terms and conditions outlined herein, and in a form acceptable to the City Solicitor; 2. the Deputy City Manager, Internal Corporate Services or designate shall administer and manage the lease agreement including the provisions of any consents, approvals, waivers, notices and notices of termination provided that the Deputy City Manager, Internal Corporate Services, 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 expenditures to the City for the 5 year term inclusive of basic rent, operating costs and realty taxes will be \$223,040.00 before HST or, \$226,966.00 net of HST recoveries. The lease cost for the Toronto Public Library Board will be \$44,608.00 per year, plus applicable taxes, equivalent to \$3,717.33 per month, or a gross of \$27.88 per square foot for 1,600 square feet.</p> <p>Annual cost to the City, net of HST recoveries, is as follows: \$19,028 in 2018, \$45,341 in 2019, \$45,445 in 2020, \$45,393 in 2021, \$45,393 in 2022, and \$26,365 in 2023. Funding is available in Toronto Public Library's 2018 Council Approved Operating Budget under TPL's internal cost center 342-4200-1-55820.</p> <p>The Interim Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>The North York Central Library (NYCL) is located at 5120 Yonge Street and is connected to the North York Civic Centre as well as a mall and office building managed by GWL Realty Advisors. NYCL Phase 1 capital project is nearing completion, involving floors 1-5. Phase 2 of the project is slated to begin later in 2018 and this includes the renovation of the Concourse level. Plans for the Concourse level in the library include the creation of a new multi-purpose space, including a kitchen, service area and new washrooms, to support a range of key services including NYCL branch programs, high profile literary and cultural programs, and system-wide strategic co-sponsorships and partnerships. The multi-purpose Concourse space will also be made available for external bookings to generate revenue under the library's premium venue rental category. When not in use for library programs or external rentals, the Concourse space will be open for quiet study during public service hours. In addition, a renovated Concourse level must continue to house existing library services, including Adult Literacy and Mobile Library Services. The Concourse level also currently includes a TPL bookstore, run by volunteers, which sells withdrawn library materials and donated books which are not added to the collections. The bookstore has been closed since December 2016 during the library closure for renovations. The bookstore generates approximately \$80,000 annually to support library operations and there is a desire to reopen the store as soon as the library reopens in the summer of 2018 when Phase 1 is complete instead of waiting for the completion of phase 2 which could take up to 2 years.</p> <p>Continued on page 4.</p>
Terms	Please see page 4

Property Details	Ward:	23 - Willowdale
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	Approximately 1,600 sq.ft
	Other Information:	

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
2. Expropriations:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 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 Divisions and Agencies:	Delegated to a more senior position.	Delegated to a more senior position.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 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):	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.	<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"/> (b) Where compensation is less than market value, for periods not exceeding six (6) months, including licences for environmental assessments and/or testing, etc.
	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.	<input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million.
	Delegated to a more senior position.	<input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
13. Revisions to Council Decisions in Real Estate Matters:	Delegated to a more senior position.	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).
14. Miscellaneous:	Delegated to a more senior position.	<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/Caution
		<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. 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 John Filion					Councillor:			
Contact Name:	Catherine LeBlanc-Miller					Contact Name:			
Contacted by:	Phone	E-Mail	Memo	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:	Consent					Comments:			
Consultation with Divisions and/or Agencies									
Division:	Toronto Public Library					Division:	Financial Planning		
Contact Name:	Larry Hughsam					Contact Name:	Patricia Libardo		
Comments:	Consent					Comments:	Consent		
Legal Division Contact									
Contact Name:	Michele Desimone								

DAF Tracking No.: 2018-266	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services <input type="checkbox"/> Approved by: Tim Park	July 26, 2018	Signed by Tim Park
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services David Jollimore	July 30, 2018	Signed by 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.
- (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").

Comments: Continued from page 1

The desired outcome for the shared use of the renovated Concourse level is to balance the needs of all users/services while maximizing utilization. All of these important public services have distinct space requirements to support and deliver services efficiently. The square footage requirements for all services combined exceeds the available space on the Concourse level of the library.

The bookstore has been identified as one service that could most conveniently be relocated to a rental space in the North York Centre Mall, also on the concourse level in close proximity to the library and the current bookstore. The annual lease cost for the rental space will be offset by revenue generated through: 1) the reopening of the book store approximately 2 years earlier as it would no longer be dependent on completion of Phase 2 of the capital project; 2) expanded space, higher visibility and more foot traffic will result in higher sales; and 3) external rentals of the multi-purpose Concourse space.

The proposal to develop high quality multi-purpose programming space which can also be used for external rentals and relocating and expanding the bookstore aligns with strategic priorities established by both the Library and the City.

Major Terms & Conditions

Premises:

Approximately 1,600 square feet of rentable space in the North York Centre Mall, concourse level Unit C13 at 5150 Yonge Street

Landlord:

The Great-West Life Assurance Company and London Life Insurance Company

Term:

Five (5) years, commencing on August 1, 2018 and ending on July 31, 2023

Rent/Fee:

Base rent of \$10 per s.f. or \$16,000 per year,
 Additional rent + utilities of approx. \$11 per s.f., or \$17,600 per year.
 Realty taxes approx. \$6.88 per s.f or \$11,008.00 per year
 Total cost of approx. \$44,608.00 per year.
 The rent cost is expected to be fully offset by increased revenues from the bookstore sales (including early re-opening) and external rentals of the multi-purpose Concourse space.

Fiscal Year	2018	2019	2020	2021	2022	2023
Basic Rent (Before HST)	\$6,707	\$15,982	\$16,018	\$16,000	\$16,000	\$9,293
Operating Costs (Before HST)	\$7,378	\$17,580	\$17,620	\$17,600	\$17,600	\$10,222
Realty Tax (Before HST)	\$4,614	\$10,995	\$11,021	\$11,008	\$11,008	\$6,394
Total Net of HST Recovery	\$19,028	\$45,341	\$45,445	\$45,393	\$45,393	\$26,365

Use:

Bookstore, operated by volunteers, which sells withdrawn library materials and donated books which are not added to the collections.

Insurance:

The Tenant shall have the following:

- 1.) All risks property insurance in an amount equal to 100% of the full replacement costs, insuring all property owned by the Tenant, including leasehold improvements, chattels, furniture, stock, office equipment, fixtures and contents.
- 2.) Extra expense insurance to reimburse the Tenant for extra expenses incurred arising out of prevention of access to the Premises
- 3.) Business interruption insurance
- 4.) General liability insurance not less than \$4,000,000
- 5.) Standard owners automobile insurance not less than \$1,000,000

Additional Rent:

Tenant pays for its proportionate share of utilities for the building including applicable taxes. (The City will be seeking a Municipal Capital Facilities Tax exemption for the space). Additional rent + Realty taxes + utilities estimated at \$17.88 per s.f.

Capital Repair

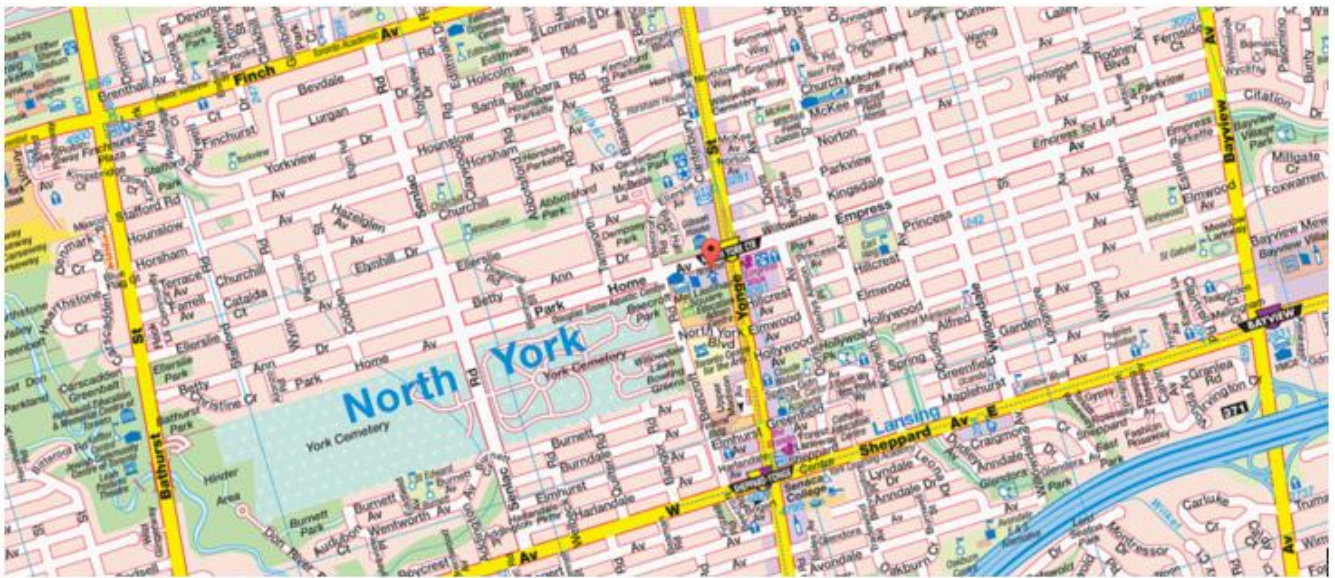
The cost to prepare the space for a used bookstore is approximately \$40,000 and this will be paid by proceeds from the retail operation reopening early.

Landlord responsible for repair to the structure of the commercial portion of the building and to major building systems (e.g. HVAC) serving the commercial portion of the building

Management Fee

No management fees associated with this agreement

LOCATION MAP



Floor Plan – Leased Premises

