

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

TRACKING NO.: 2018-315

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:	August 17, 2018	Phone No.:	(416) 397-7671
Purpose	To obtain authority for the City to execute a Tenant's Acknowledgement document, as the Tenant of 9,716 square feet of space at 1243 Islington Avenue, Toronto, Ontario, Suite 1100, as requested by the Landlord, 1243 Islington GP Inc.		
Property	1243 Islington Avenue. Suite 1100, Toronto Ontario		
Actions	<ol style="list-style-type: none"> 1. authority be granted for the City to execute a Tenant's Acknowledgment document, as the Tenant of 1243 Islington Avenue, Suite 1100, on terms and conditions satisfactory to the Deputy City Manager, Internal Corporate Services and in a form satisfactory to the City Solicitor. 2. the appropriate City Officials be authorized and directed to take the action necessary to give effect thereto 		
Financial Impact	There is no financial impact.		
Comments	<p>By adoption of Report No. 19(33) on August 13, 14, 1997, the former Metropolitan Council approved a five year renewal of a lease commencing January 1, 1998 and ending December 31, 2002 with I.F. Propco Holding (Ontario) 28 Ltd for 9,605 square feet of space for use by Children's Services.</p> <p>Authority was granted by City Council to enter into a Lease & Amending Agreement as per Report No. 11(1) dated July 29, 30, & 31, 1998 for another five year term commencing January 01, 2003 and ending on December 31, 2007 including an amending the rentable area from 9,605 square feet to 9,716 square feet to accommodate Children's Services program needs.</p> <p>City Council granted authority via Report GM12.11 dated February 14, 2008 for a further lease renewal commencing January 01, 2008 and ending December 31, 2012, with an option to renew for a further term of five years.</p> <p>City Council further granted authority via Delegated Approval Form dated May 13, 2013 for a further lease renewal & extension commencing January 01, 2013 and ending December 31, 2017, with an option to renew for a further term of five years.</p> <p>City Council further granted authority via Delegated Approval form 2018-271 dated June 27, 2018 for a further lease extension commencing January 1, 2018 and ending December 31, 2022, with an option to renew for a further term of five years</p> <p>Real Estate Services staff have confirmed that there are no known defaults related to the lease agreement as of the date hereof on the part of the City.</p>		
Terms	Major Terms of the Tenant's Acknowledgement (see Page 4)		
Property Details	Ward:	Ward 5 – Etobicoke Lakeshore	
	Assessment Roll No.:		
	Approximate Size:		
	Approximate Area:	9,716 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"/> (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 \$1 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):	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position. <input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position. <input 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. Delegated to a more senior position.	<input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million. <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 checked="" 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: Justin Di Ciano					Councillor:						
Contact Name: Mary L. Campbell					Contact Name:						
Contacted by:		Phone	E-Mail	Memo	Other	Contacted by:		Phone	E-mail	Memo	Other
Comments:					Comments:						
Consultation with Divisions and/or Agencies											
Division: Children Services					Division: Financial Planning						
Contact Name: Nino Dodaro					Contact Name: Patricia Libardo						
Comments:					Comments:						
Legal Division Contact											
Contact Name:											

DAF Tracking No.: 2018-315	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services <input type="checkbox"/> Approved by:	Sept. 5, 2018	Signed by Daran Somas
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services David Jollimore	Sept. 5, 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").

Major Terms of Tenant's Acknowledgement

Amount Owed to Tenant by Landlord:

The Tenant has overpaid the sum of \$39,147.00 for Year 1 of the Extended Term, as follows:

The Tenant has paid the sum of \$220,243.00 during January 1 to September 30, 2018, being part of Year 1 of the Extended Term.

LESS:

\$181,096.00 – Total rental charges (comprising basic rent, estimated additional rent and parking fees) from Jan – Sept 2018

Therefore, the Landlord owes the Tenant the sum of \$39,147.00, to be repaid to the Tenant forthwith, or applied as a credit to rent coming due (the "Rent Reconciliation").

Additional Rent:

The Tenant is currently paying additional rent at the rate of \$14.77 per square foot per annum in accordance with the Landlord's estimate, which is subject to adjustments as provided for in the Lease. This estimate should not include any component for municipal or school taxes, as the parties have entered into a Municipal Capital Facility Agreement dated November 12, 2012 which exempts the Leased Premises from taxation for municipal and school purposes.

Landlord's Work:

As set out in Section **(3) (g)** of the fully executed 2018 Lease Extension Agreement, the Landlord is required to complete the Landlord's Work on or before October 15, 2018.

Location Map



