

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

TRACKING NO.: 2018-331

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:	September 28, 2018	Phone No.:	416-392-7169

Purpose	To obtain authority for the City of Toronto (the "City"), as tenant, to enter into a Lease (the "Lease") with Times 5800 Inc. (the "Landlord"), for the Property at 5800 Yonge Street.
Property	The property municipally known as 5800 Yonge Street and legally described as Part of Lot 22, Concession 1, West of Yonge Street, Township of York designated as Parts 1 and 2 on Plan 64R-5523, City of Toronto (the "Property") and as shown on Plan 64R-5523 and in the Topographic Survey in Appendix "B" and on the Location Map in Appendix "C".
Actions	<ol style="list-style-type: none"> The City enter into the Lease with the Landlord to lease the Property for a term commencing on October 1, 2018 and expiring on September 30, 2020, 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 Deputy City Manager, Internal Corporate Services ("DCM") and in a form acceptable to the City Solicitor; The DCM 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 DCM 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 following costs will be incurred by the City in connection with the Lease:</p> <ol style="list-style-type: none"> Basic Rent: \$515,105.05 per annum net of HST recoveries or \$506,196.00 exclusive of HST, payable in advance in equal monthly installments of \$42,183.00 for the 2 years for a total basic rent for the term being \$1,012,392.00 exclusive of HST. The City is responsible for all utility costs and property taxes. The Landlord has agreed to complete work on behalf of the City to a maximum of \$100,000.00. Additionally, work required to the property to make it suitable for the City's use as a shelter may be completed by the Landlord and reimbursed by the City. Such additional costs is estimated at \$300,000. <p>Funding approval has been obtained through the 2018 Operating Budget for Shelter, Support and Housing Administration (SSHA) under account F00058. However, the approval is only to lease the facility and hold as contingency space to be operational only if needed. Council Approval and secured funding will be required to commence shelter operations at this location if required at a future date.</p> <p>The Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>The Property consists of an 84,366 square foot, two storey building. This site will be used to temporarily accommodate asylum seekers arriving in the City. The work required to the property to make it suitable for habitation will be completed by the Landlord and includes; installing showers, kitchenettes and removing the carpet. The facility will be operated by Red Cross or another service provider as deemed appropriate by SSHA.</p> <p>At its meeting of June 26, 27, 28 and 29, 2018, City Council adopted CD29.8, authorizing the General Manager of SSHA to enter into new or amend existing agreements to open and operate shelters, as outlined in the 2019 Shelter Infrastructure Plan.</p> <p>Real Estate Services staff consider the terms and conditions of this proposed license to be fair and reasonable.</p>
Terms	Refer to Appendix "A" for the Terms and Conditions.

Property Details	Ward:	23 - Willowdale
	Assessment Roll No.:	19 08 073 210 107 00
	Approximate Size:	8.1 acres ±
	Approximate Area:	7,837.86 m ² ± (84,366 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 checked="" 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><input type="checkbox"/> Where total compensation (including options/renewals) 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"/> 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 Filion				Councillor:										
Contact Name:	Catherine LeBlanc-Miller				Contact Name:										
Contacted by:	Phone	x	E-Mail		Memo		Other	Contacted by:	Phone		E-mail		Memo		Other
Comments:					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:					Comments:										
Legal Division Contact															
Contact Name:	Michele Desimone														

DAF Tracking No.: 2018-331	Date	Signature
Recommended by: Manager, Real Estate Services	Oct. 2, 2018	Signed by Nick Simos
Recommended by: Director, Real Estate Services – D. Jollimore	Oct. 5, 2018	Signed by David Jollimore
<input checked="" type="checkbox"/> Recommended by: Deputy City Manager, Internal Corporate Services	Oct. 10, 2018	Signed by Josie Scioli
<input checked="" type="checkbox"/> Approved by: Josie Scioli		
<input type="checkbox"/> Approved by: City Manager Chris Murray		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 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:** Times 5800 Inc.
- Premises:** The Building and Lands comprising the Property at 5800 Yonge Street, Toronto
- Basic Rent:** \$506,196.00 per annum, payable in equal monthly installments of \$42,183.00 for the Term
- Additional Costs:**
- 1) 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.
 - 2) All utilities;
 - 3) All applicable hst
- Term:** Commencing on October 1, 2018 until September 30, 2020.
- Early Termination:** Either party to this Lease may terminate the Lease with 4 months prior written notice to the other party except that the Landlord may not provide such notice until after the 14th calendar month of the Term.
- Landlords Work:** The Landlord will undertake the following works, including by not limited to:
- i) The building cleaned and all chattels removed;
 - ii) Carpeting and carpet glue removed;
 - iii) Provide all available manuals, and contact names for all existing building systems;
 - iv) Ensure passenger elevator is operational and transferred over to the City;
 - v) Ensure all lighting and HVAC is controllable by switches and by zones;
 - vi) All building systems to be inspected and delivered in good working order; and
 - vii) Repairs completed to wall, doors and ceilings.
- The Landlord will pay up to a maximum of One Hundred (\$100,000.00) for the cost of Landlord works. All Landlord works will be done pursuant to the City's Fair Wage Policy and Labour Trades Contractual Obligations in the Construction Industry. The City will reimburse the Landlord for the cost of agreed upon Landlord works and any additional work the City requests the Landlord perform in excess of the \$100,000.00, which cost may include a construction management fee of ten (10%) percent for all expenses relating to the works.
- The parties mutually acknowledge that the Landlord's work may not be fully completed on or before October 1, 2018 and that until such time as the Landlord's Work is completed to the satisfaction of the City, the City will be responsible for paying only utility costs and real property taxes. If any incomplete Landlord's work does not materially impact the City's use of the Property, such incomplete items will not delay the commencement of the payment of Basic Rent.
- Use:** For the purpose of allowing the City to operate a temporary shelter for the homeless newcomers to Canada. The Property may also be used for other ancillary purposes, including office space, storage space and public parking. The building and lands will be used by the City and/or any Community Operator.
- Maintenance & Repairs:**
- (a) The Landlord will maintain the exterior of the Building as well as all interior wiring, plumbing fixtures and equipment and the heating, ventilating, air-conditioning and ancillary equipment.
 - (b) The Landlord will not be required to maintain or repair the washroom fixtures, kitchen fixtures and equipment, the plumbing fixtures and equipment and sewer lines serving the building after the Landlord's work has been completed.
 - (c) The Landlord will not be required to repair damage that the City is required to insure except where the damage or injury arises out of the negligence of the Landlord.
- Insurance:** The City will maintain:
- (a) All risks property insurance in an amount equal to one hundred (100%) percent of the full replacement cost which will include the Landlord and its mortgagee as additional insureds and will insure:
 - (i) The Property; the Landlord and applicable mortgagee is to be added as an additional insured;
 - (ii) All property owned by City or for which City is legally liable, without limitation, leasehold

improvements, chattels, furniture, office equipment, equipment, fixtures, contents;

(iv) Coverage for contingent liability from the enforcement of building by-laws;

(v) Coverage for the repair and replacement of boilers, pressure vessels, air-conditioning equipment and miscellaneous electrical apparatus on a broad form.

(b) Commercial general liability insurance on an occurrence basis, against claims for bodily injury, personal injury and property damage in or about the Premises, contractual liability, tenant's legal liability, non-owned automobile liability, and owner's and contractor's protective liability, in amounts which are from time to time acceptable to a prudent tenant in the community in which the Building is located, but not less than \$10,000,000.00 in respect of each occurrence. The Landlord and applicable mortgagee are to be added as an additional insureds.

(c) Any other form of insurance, in such amounts and against such risks, as Landlord or Landlords mortgagee may in its reasonable discretion require.

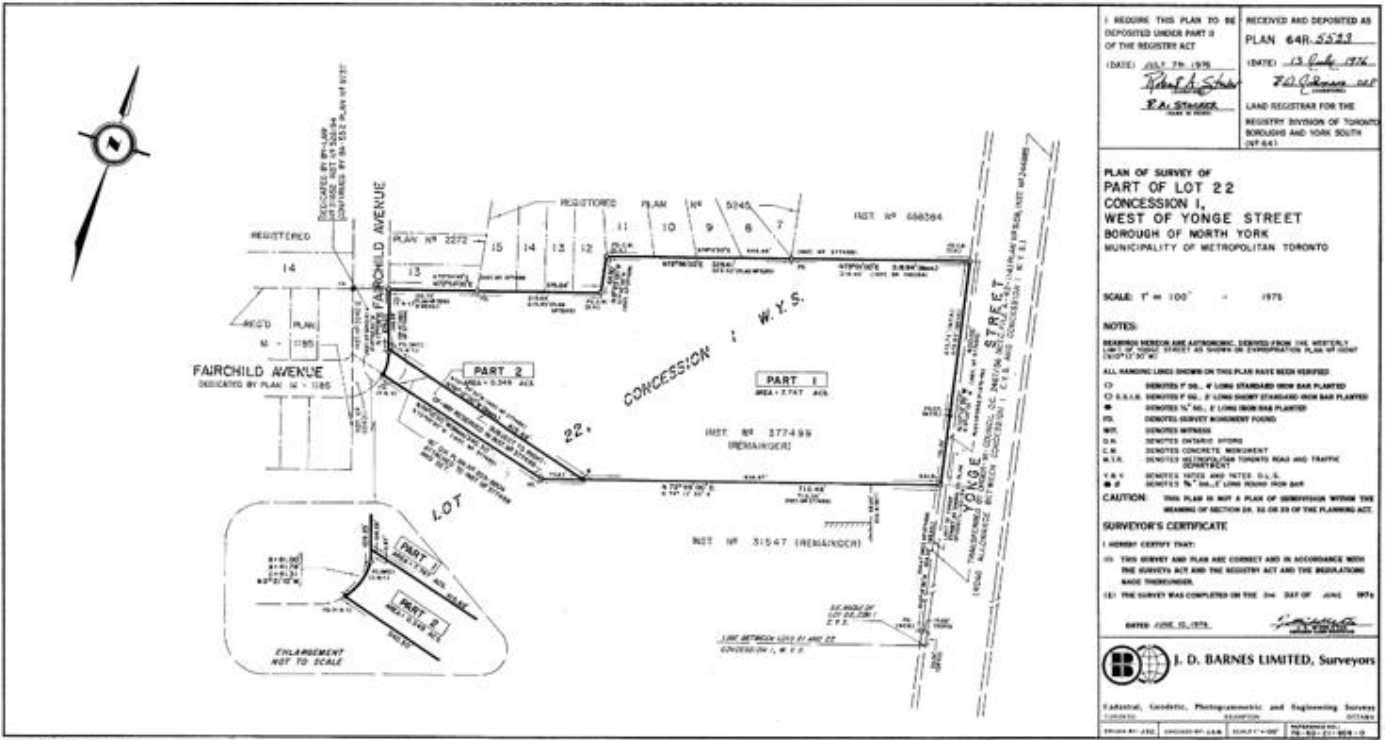
Policies for such insurance shall (i) for physical damage policies only, contain a waiver of subrogation clause in favour of the Landlord and the Landlord's mortgagee, and contain a standard mortgage clause as required by any mortgagee, (ii) not call into contribution any other insurance available to Landlord, and (iii) contain a severability of interests clause and a cross-liability clause, where applicable.

City will deliver to Landlord certificate(s) of insurance in a form that contains sufficient detail to clearly evidence that City has taken out the insurance required under this Lease.

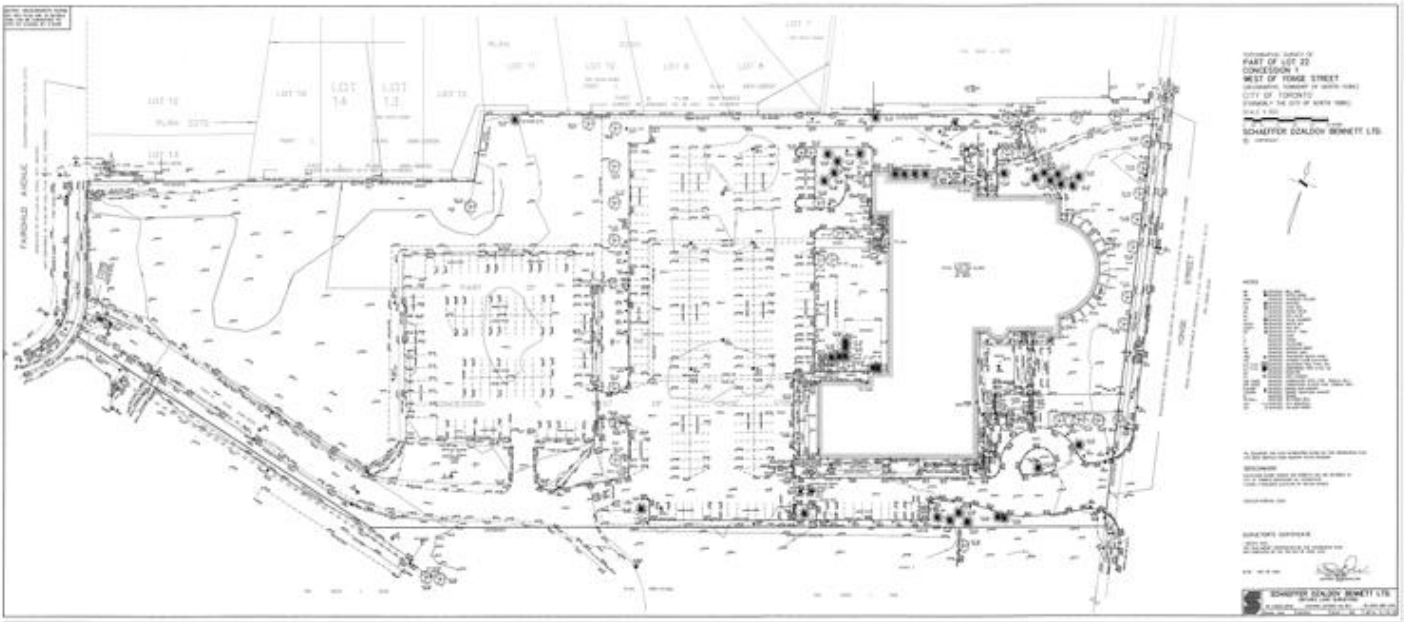
- Overholding:** Unless the Landlord and the Tenant agree in writing to extend the Term, the Tenant will not remain in possession after the expiry or termination of the Term.
- Outdoor Aesthetics:** The Landlord may erect privacy screens or install soft landscaping in order to improve the aesthetics of the building provided (i) such modifications will not materially impact the operation of the program and (ii) such modifications will only be made to the façade of the building facing Yonge Street. The City shall designate and construct an outside area at the rear of the building for outdoor use by the occupants of the building. After the first anniversary of the Commencement Date, the Landlord may erect reasonable signage facing Yonge Street to advertise the future redevelopment of the Property.
- Redevelopment Approvals:** The parties acknowledge and agree that this Lease and the permitted use hereunder shall have no impact on any future planning application initiated by the Landlord.
- Hazardous Substances:** The City acknowledges receipt of environmental reports and the City releases and indemnifies the Landlord from all liabilities associated with hazardous substances, contaminations or designated substances as described in those reports, except where the damage or injury arises from of the negligence of the Landlord.
- Communications:** The City will endeavor co-operate and collaborate with the Landlord respecting public communications involving the Property.

Appendix "B"

Plan 64R-5523



Topographic Survey



Appendix "C"

Location Map

