

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

TRACKING NO.: 2019-011

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:	Daniel Di Biagio	Division:	Real Estate Services
Date Prepared:	February 5, 2019	Phone No.:	416-392-7130

Purpose	To obtain authority to enter into a lease extension and amending agreement (the "Extension Agreement") with Aida Koduzi c.o.b. Rube's Rice (the "Tenant") for Store No. LL12 and LL15 (the "Leased Premises"), located on the lower level of the South St. Lawrence Market (the "Market") for a five (5) year term and amending the original lease to conform with the terms of the remaining Market tenants.
Property	South St. Lawrence Market – Store No. LL12 and LL15 92-95 Front Street East, Toronto, ON M5E 1C3 (location as shown on Schedules "B" and "C" attached hereto)
Actions	It is recommended that: <ol style="list-style-type: none"> 1. Authority be granted to enter into the Extension Agreement with the Tenant, commencing January 1, 2015 and ending December 31, 2019 on the terms and conditions set out in Schedule "A" attached hereto, and any such other terms and conditions as may be appropriate to the Director of Real Estate Services and in a form acceptable to the City Solicitor. 2. The Director of Real Estate or his or her designate shall administer and manage the Extension Agreement including the provision of any consents, approvals, amendments, waivers, notices and notices of terminations provided the Director of Real Estate Services may, at any time, refer consideration of such matter to City Council for its determination and direction; and 3. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	For the period from January 1, 2015 to December 31 st , 2019, pursuant to the Extension Agreement, the City received semi-gross rent from the Tenant totaling \$121,227.16 (Including HST). Annual revenue to the City plus HST is as follows: \$21,939.06 for 2015, \$23,036.01 for 2016, \$24,187.81 for 2017, \$25,397.20 for 2018 and \$26,667.06 for 2019. Total gross rent for the term of the lease is \$121,227.16 (Including HST). The Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.
Comments	The Tenant has operated its business, Rube's Rice, in the South Market under the Delegated Approval Form with the tracking no. 2014-152, since 2014. Market staff recommend that the City enter into an Extension Agreement beginning January 1, 2015 and ending December 31, 2019 which would also amend the terms of the original 2014 lease with the Tenant in order to conform to the most recent standardized Market lease template, as more particularly set out in Schedule "A". The terms and conditions negotiated with the Tenant are, in the opinion of Real Estate Services staff, reasonable in the circumstances and the rates to be charged have been determined to be appropriate.
Terms	See Terms and Conditions outlined in Schedule "A".

Property Details	Ward:	13 - Toronto Centre
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	Various – Schedule "B"
	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/Licensors):	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.	<input checked="" 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 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, Transaction Services 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, Corporate Services and any related documents.

Consultation with Councillor(s)									
Councillor:	Kristyn Wong-Tam					Councillor:			
Contact Name:	Lisa Hoffman - Lisa.Hoffman@toronto.ca					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:	Financial Planning					Division:	Financial Planning		
Contact Name:	Patricia Libardo					Contact Name:			
Comments:	416-397-4217					Comments:			
Legal Division Contact									
Contact Name:	Gloria Lee and Jennifer Davidson								

DAF Tracking No.: 2019-011	Date	Signature
Concurred with by: Manager, Real Estate Services		
<input checked="" type="checkbox"/> Recommended by: Acting Manager, Real Estate Services Daniel Picheca	Feb. 15, 2019	Signed by Daniel Picheca
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Acting Director, Real Estate Services Nick Simos	Feb. 15, 2019	Signed by Nick Simos

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, 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").

Schedule "A"

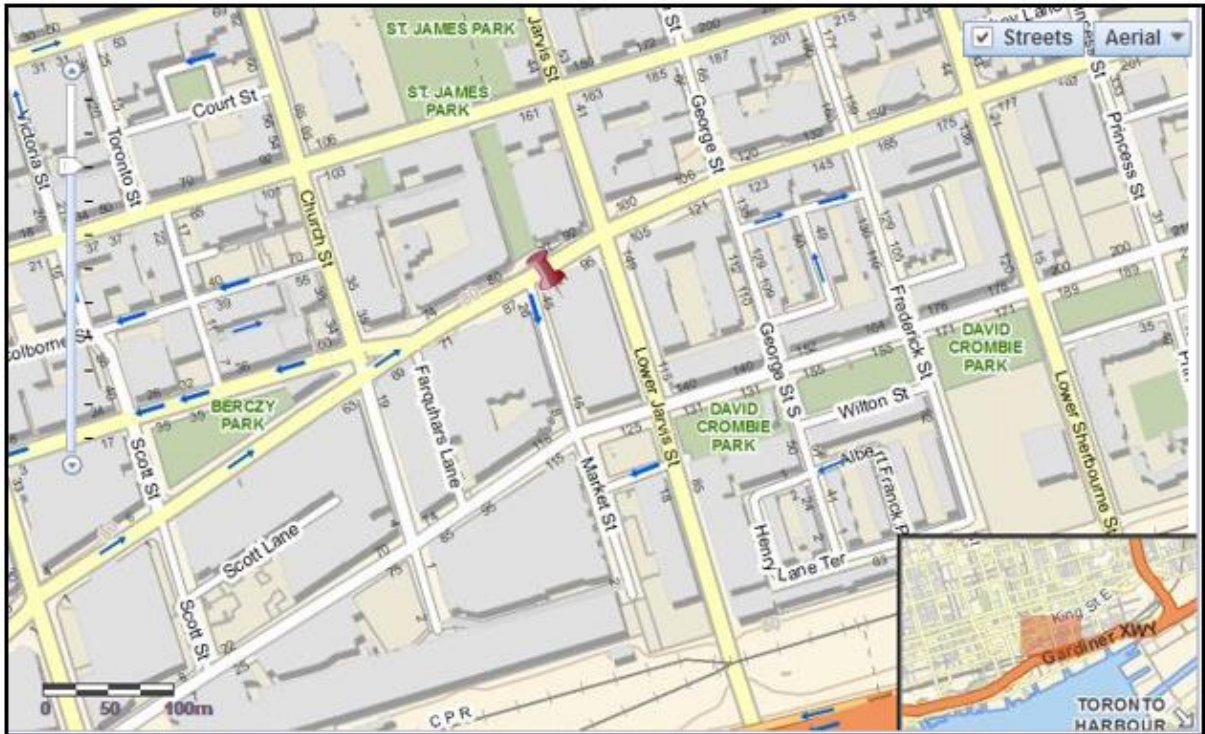
Major Terms and Conditions

1. Extension Term: January 1, 2015 to December 31, 2019 with no further option to extend
2. Semi-gross rent: \$45.43 per square foot per annum commencing on January 1, 2015, subject to a 5% increase on January 1 of every subsequent calendar year during the Term of the Extension Agreement
3. Lease to be amended as follows:
 - (a) to confirm compliance with the Fire Code and the requirement of orderly tenant and consumer traffic in Market;
 - (b) inclusion of the installation of a "smart meter" to measure electricity consumption within the individual Leased Premises. Installation, maintenance, and upgrades to be borne by the Tenant. The City is installing, at its cost, main meter boxes and panels for the entire Market;
 - (c)
 - (i) amendment to the renovation and relocation provisions permitting same and the conditions under which such renovation may be completed. Within the term of the lease, the City is to provide six months' notice if it will require the Leased premises with the proviso of the apportionment of rents, as appropriate;
 - (ii) amendment to provide that in the event of termination for renovation and that within two years of that date the City causes a rebuilding or renovation and if the Tenant was not in material default at the time of termination, provisions related to reasonable efforts to relocate at certain times of the year, and subsequently make reasonable efforts to construct premises of similar size and offer same to Tenant.
 - (iii) amendment to provide that if, during the term, temporary relocation is required, City will reimburse costs, pursuant to third party invoices, of up to \$15,000.00 following predetermined percentages/maximums of predetermined relocation expenses.

Schedule "B"

Map of South St. Lawrence Market

Street View



Aerial View



Schedule "C"

Floor Plan

