

DELEGATED APPROVAL FORM
CITY MANAGER

TRACKING NO.: 2019-012

~~DEPUTY CITY MANAGER, CORPORATE SERVICES~~

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 amend the City Council Report GM29.9 St. Lawrence Market (South) – New Lease Agreements, dated February 25, 2010, in order to obtain authority to enter into a lease (the "Lease"), a lease extension agreement (the "Extension Agreement") with Tziamco Investments Ltd. c.o.b. Paddington Pump Restaurant (the "Tenant") for Store No. UL45 (the "Leased Premises"), located on the upper level of the South St. Lawrence Market (the "Market")
Property	South St. Lawrence Market – Store No. UL45 92-95 Front Street East, Toronto, ON M5E 1C3 (location as shown on Schedules "A" and "B" attached hereto)
Actions	<ol style="list-style-type: none"> Authority be granted to enter into a five (5) year lease with Tziamco Investments Ltd. for a term commencing January 1, 2010 and ending on December 31, 2014 followed by a five (5) year lease extension agreement with a term commencing January 1, 2015 and ending on December 31, 2019 (the "Extension Term"), with terms and conditions as outlined herein, satisfactory to the Deputy City Manager, Corporate Services ("DCM") and in a form acceptable to the City Solicitor. The DCM or his or her designate, shall administer and manage the Lease and Extension Agreement including the provision of any consents, approvals, waivers, amendments, notices 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 be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>For the period from January 1, 2010 to December 31, 2014, pursuant to the Lease, the City received semi-gross rent from the Tenant totaling \$381,149.98 (Including HST).</p> <p>For the period from January 1, 2015 to December 31, 2019, pursuant to the Extension Agreement, the City will receive rent totaling approximately \$499,950.13 (Including HST).</p> <p>Total gross rent for the terms of the Lease and Extension Agreement is \$881,100.11 (Including HST).</p> <p>The Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>At its meeting on March 31, and April 1, 2010, City Council adopted Report GM29.9 St. Lawrence Market (South) – New Lease Agreements for the renewal/extension of leases in the South St Lawrence Market. The report improperly listed the terms for Tziamco Investments Ltd. as a two (2) year initial term plus a three (3) year extension term. The correct terms are five (5) years plus the option to extend for an additional five (5) years as outlined in the Tenant's Offer to Lease signed and dated March 4, 2010. Market staff recommend that authority be granted to amend report GM29.9 St. Lawrence Market (South) – New Lease Agreements in order to enter into a five (5) year lease with Tziamco Investments Ltd. for a term commencing January 1, 2010 and ending on December 31, 2014 followed by a five (5) year lease extension with a term commencing January 1, 2015 and ending on December 31, 2019.</p> <p>The total revenue for the two (2) year initial term plus a three (3) year extension term is \$381,149.98. The total revenue for the corrected terms, five (5) year plus the extension term of five (5) year, is \$881,100.11. The difference is \$499,950.13, or approximately, a 231% increase.</p> <p>The terms and conditions negotiated with the Tenant conform to the terms and conditions of all the other tenants in the St. Lawrence Market complex and are in the opinion of Real Estate Services staff fair, reasonable and determined to be appropriate.</p>
Terms	Please see Appendix "A"

Property Details	Ward:	13 – Toronto Centre
	Assessment Roll No.:	
	Approximate Size:	1,335.36 square feet
	Approximate Area:	Various – Schedule "A"
	Other Information:	

A.	Deputy City Manager, 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 checked="" 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><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, 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, 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:	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.: 2019-012	Date	Signature
Recommended by: Manager, Real Estate Services	Feb. 15, 2019	Signed by Daniel Picheca
Recommended by: Director, Real Estate Services	Feb. 15, 2019	Signed by Nick Simos
<input type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services	Feb. 19, 2019	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, 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-bonus 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:

Tenant: Tziamco Investments Ltd. c.o.b. Paddington Pump Restaurant

Leased Premises: South St. Lawrence Market – Store No. UL45. Approximately 1,335.36 square feet.

Lease Term: January 1, 2010 to December 31, 2014 with an option to extend for a five (5) year term.

Extension Term: January 1, 2015 to December 31, 2019 with no further option to extend.

Semi-gross rent for the Extension Term: \$59.96 per square foot per year commencing on January 1, 2015, and subject to a five percent (5%) increase on January 1st of every subsequent calendar year during the Extension Term.

Schedule "A"

Map of South St. Lawrence Market 91 Front St. E., Toronto, ON

Street View - Location Map



Aerial View



Schedule "B"
Tenant Locations

Upper Level South Market

