

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

TRACKING NO.: 2019-073

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: Joe Corigliano Division: Real Estate Services Date Prepared: Phone No.: 416-392-1167 March 27, 2019 **Purpose** To obtain authority to enter into a Lease Agreement (the "Lease") for the premises located at 337 Jarvis Street, Main Floor with The Jarvis Street Baptist Church (the "Landlord") for use as a temporary office location for Parks staff at Allan Gardens during construction to their current location. **Property** The Leased Premises is the Main Floor of the property known municipally as 337 Jarvis Street (the "Leased Premises. The Leased Premises consists of approximately 1,210 rentable square feet of space. The floor plan of the Leased Premises is attached hereto as Appendix "B". The Leased Premises is located at the corner of Jarvis Street and Carlton Street (adjacent to Allan Gardens) and is shown on the Location Map, attached hereto as Appendix "C". Actions 1. Authority be granted to enter into the Lease with the Landlord on the terms and conditions outlined in Appendix "A" and on such other terms and conditions as may be satisfactory to the Deputy City Manager, Corporate Services and in a form acceptable to the City Solicitor. 2. The Director of Real Estate Services, or his designate, shall administer and manage the Lease including the provision of any consents, approvals, waiver notices, and notices of termination provided that the Director of Real Estate Services may, 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. **Financial Impact** 1. The following costs will be incurred by the City during the term of the Lease: (a) Gross Rent (inclusive of utilities) payable to the Landlord of approximately \$3,150.00 per month for the one year term. (b) If Needed, a possible six month extension at a recurring rate of \$ 3,150.00 per month The total estimated costs for the 1 (one) year term of the Lease is \$37,800.00 (exclusive of HST). If the additional six month term is needed, the total amount will be \$56,700.00 (exclusive of HST). Funding is available in the 2019 Operating Budget for Parks, Forestry and Recreation (P00113). The Chief Financial Officer & Treasurer has reviewed this DAF and agrees with the financial impact information. Comments Capital construction work is occurring at Allan Gardens Conservatory that will render the staff reporting and administration areas unusable for a period of approximately 12 months. The work for the new facility is to start in late summer/ early fall of 2019. Staff maintaining and overseeing the conservatory require washroom, wash up, changing and lunch room facilities. The proposed lease enables Allan Garden Staff to continue to service Allan Gardens Conservatory and Park. The rent and other terms and conditions of the lease reflect current market value according to market research and valuation conducted by Real Estate Services **Terms** See Appendix "A" for Terms **Property Details** Ward: Ward 13 - Toronto Center Assessment Roll No.: Approximate Size: **Approximate Area:**  $112.41 \text{ m}^2 \pm (1,210 \text{ ft}^2 \pm)$ Other Information:

Α.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services has approval authority for:			
1. Acquisitions:	Where total compensation does not exceed \$50,000.	Where total compensation does not exceed \$1 Million.			
<b>2.</b> Expropriations:	Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.	Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.			
3. Issuance of RFPs/REOIs:	Delegated to a more senior position.	Issuance of RFPs/REOIs.			
4. Permanent Highway Closures:	Delegated to a more senior position.	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.			
<b>6.</b> Limiting Distance Agreements:	Where total compensation does not exceed \$50,000.	Where total compensation does not exceed \$1 Million.			
<ol><li>Disposals (including Leases of 21 years or more):</li></ol>	Where total compensation does not exceed \$50,000.	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.	Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.			
<ol><li>Leases/Licences (City as Landlord/Licensor):</li></ol>	(a) Where total compensation (including options/ renewals) does not exceed \$50,000.	(a) Where total compensation (including options/renewals) does not exceed \$1 Million.			
	(b) Where compensation is less than market value, for periods not exceeding three (3) months, including licences for environmental assessments and/or testing, etc.	(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.			
<b>10.</b> Leases/Licences (City as Tenant/Licensee):	Where total compensation (including options/ renewals) does not exceed \$50,000.	Where total compensation (including options/ renewals) does not exceed \$1 Million.			
11. Easements (City as Grantor):	Where total compensation does not exceed \$50,000.	(a) Where total compensation does not exceed \$1 Million.			
	Delegated to a more senior position.	(b) When closing roads, easements to pre- existing utilities for nominal consideration.			
12. Easements (City as Grantee):	Where total compensation does not exceed \$50,000.	Where total compensation does not exceed \$1 Million.			
13. Revisions to Council Decisions in Real Estate Matters:	Delegated to a more senior position.	Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).			
14. Miscellaneous:	Delegated to a more senior position.	(a) Approvals, Consents, Notices and Assignments under all Leases/Licences			
		(b) Releases/Discharges (c) Surrenders/Abandonments			
		(c) Surrenders/Abandonments (d) Enforcements/Terminations			
		(e) Consents/Non-Disturbance Agreements/ Acknowledgements/Estoppels/Certificates			
		(f) Objections/Waivers/Caution			
		(g) Notices of Lease and Sublease			
		(h) Consent to regulatory applications by City, as owner			
		(i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title			
		(j) Documentation relating to Land Titles applications			
		(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.  The state of the					
<ul> <li>Expropriation Applications and Notices following Council approval of expropriation (Manager, Transaction Services is only Manager with such signing authority).</li> </ul>					
Director, Real Estate Services also has signing authority on behalf of the City for:					
<ul> <li>Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.</li> </ul>					

• Community Space Tenancy Leases approved by delegated authority by Deputy City Manager, Corporate Services and any related documents.

Consultation with Councillor(s)								
Councillor:	Councillor K. Wong Tam, Ward 13	Councillor:						
Contact Name:	Councillor K. Wong Tam	Contact Name:						
Contacted by:	Phone X E-Mail Memo Other	Contacted by:	Phone E-mail Memo Other					
Comments:	Concurs	Comments:						
Consultation with Divisions and/or Agencies								
Division:	Park Forestry and Recreation	Division:	Financial Planning					
Contact Name:	Michelle Reid	Contact Name:	Lauren Birch					
Comments:	Concurs	Comments:	Concurs					
Legal Division Contact								
Contact Name:	Vanessa Bacher							

DAF Tracking No.: 2019-		Date	Signature
Concurred with by:	Manager, Real Estate Services [NTD. Insert Manager's name]		
X Recommended by: Approved by:	Manager, Real Estate Services (Daran Somas)	March 29, 2019	Signed by Daran Somas
X Approved by:	Acting Director, Real Estate Services Nick Simos	March 29, 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 50M<sup>2</sup> 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.
- (I) 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".
- (2) 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").

### 377 Jarvis Street - DAF Tracking No.: 2019-073

# Appendix "A" - Terms & Conditions

Landlord: Jarvis Street Baptist Church

Tenant: City of Toronto

Leased Premises: Main Floor located in the building municipally known as 377 Jarvis Street

Approximate Space: 1,210 rentable square feet

Lease Commencement: June 1st 2019.

Lease Expiry: May 31th, 2020

Gross Rent (Monthly): \$3,150 per month paid on the 1<sup>st</sup> of every month

Deposit: Upon the execution of the Lease the City shall pay the Landlord a Deposit of \$6300.00 which shall be applied

by the Landlord as the First and last month's Gross Rent

Extension Options The Tenant shall have the option to extend this lease for an extension period of up to six (6) months. Such

option may be exercised by the Tenant by written notice given at least two (2) months prior to the date on which the Term expires, and shall be at the same Gross Rent, subject to the same covenants, obligations and agreements and on the same terms and conditions as contained in this lease, except for any further right of

extension.

Alterations: The City accepts the Leased Premises in an as-is condition and shall complete all alterations and

improvements as the City deems necessary at its sole cost and expense.

Restoration: At the end of the Term or any renewal or extension thereof, the City shall not be required to remove any

leasehold improvements or to restore the Leased Premises.

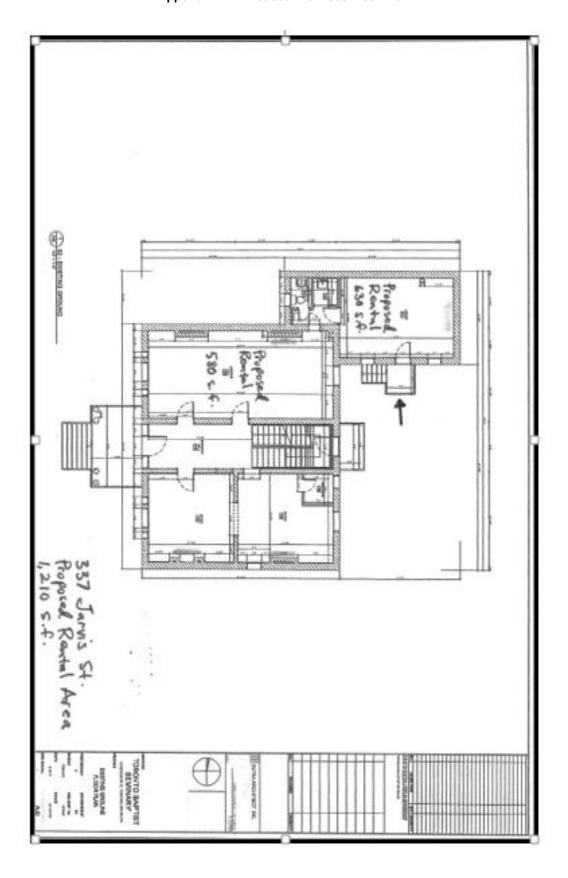
Insurance: The City shall, at its expense, arrange for tenant liability, property damage and other insurance in the amount of

not less than Two Million (\$2,000,000.00) per occurrence and shall provide evidence of such insurance to the

Landlord.

Parking: The City shall have access to a common parking area, subject to any reasonable restrictions of the Landlord.

Appendix "B" - Leased Premises Floor Plan



# Appendix "C" - Location of Subject Property

