

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

TRACKING NO.: 2019-088

Approved pursuant to the Delegated Authority contained in Executive Committee Item EX27.12, as adopted by City Council on October 2, 3 and 4, 2017 or, where applicable, in Executive Committee Item EX28.8, as adopted by City Council on November 7, 8 and 9, 2017.

| | | | |
|----------------|----------------------------------|------------|------------------------|
| Prepared By: | Larry Hughsam, Director, Finance | Division: | Toronto Public Library |
| Date Prepared: | April 12, 2019 | Phone No.: | 416-397-5946 |

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|-------------------------|---|
| Purpose | To obtain authority to enter a lease with 7506473 Canada Inc., as Landlord, and the Toronto Public Library Board, as Tenant, for approximately 3,341 square feet of rentable space at Yorkgate Mall, Unit 30, 1 York Gate Blvd, Toronto starting May 15, 2019 for a term of 26 months. |
| Property | Yorkgate Mall, 1 York Gate Blvd, Unit 30, Toronto ON, M3N 3A1 |
| Actions | <ol style="list-style-type: none"> 1. Authority be granted to enter into a lease with 7506473 Canada Inc., as Landlord, and the Toronto Public Library Board, as Tenant, for approximately 3,341 square feet of rentable space at Yorkgate Mall, Unit 30, 1 York Gate Blvd, Toronto (the "Premises"), substantially on the terms and conditions outlined herein, and any such other terms and conditions deemed appropriate by the Director of Real Estate Services, and in a form acceptable to the City Solicitor; 2. The City Librarian, or her designate, administer and manage the Lease including the provision of any consents, approvals, waivers, notices and notices of termination provided that the City Librarian may, at any time, refer consideration of such matters to Director of Real Estate Services for determination and direction; 3. Application to be prepared by City staff for a Municipal Capital Facility Agreement 4. The appropriate Library and City Officials be authorized and directed to take the necessary action to give effect thereto. |
| Financial Impact | <p>The total cost to the Library for the 26-month term inclusive of minimum rent and additional rent ("Fixed Operating Costs") will be \$201,462.30 before HST or \$205,008.04 net of HST recoveries for 3,341 square feet. Minimum rent is \$20.00 per square foot for the 26-month term and additional rent is \$10.00 per square foot with a 3% increase in Year 2. Total utilities will be approximately \$21,716.50 before HST or \$22,098.71 net of HST recoveries for the 26-month term. With an estimated lease start date of May 15, 2019, the annual cost to the Library net of HST recoveries is as follows: \$57,796.63 in 2019, \$112,703.42 in 2020, \$56,606.70 in 2021.</p> <p>In the event that the York Woods renovation project takes longer than the estimated 2 years, the lease agreement includes the option of 4 term extensions, with each extension being 3 months in length. This could bring the total extension to 1 year ("Extended Term"). Funding is available in the 2019 Council Approved Operating and Capital Budget for Toronto Public Library.</p> <p>The Director, Finance and Treasurer (TPL) and Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.</p> |
| Comments | <p>The York Woods Branch is a two-storey 42,176 square-foot facility, which opened in 1970 and includes a theatre that was opened in 1995. The Community Arts Hub and programming room were constructed in 2010. The branch is slated to close for approximately two years while it undergoes extensive renovations. As one of the only accessible community spaces in the Jane-Finch neighbourhood, it is imperative that an alternative service location remain in operation. This well-used district library is a valuable community resource and branch staff are very active within the community, having developed relationships with local schools, daycares and community agencies and organizations. The revitalization of the York Woods library, by architects Diamond and Schmitt, will allow Toronto Public Library to bring the branch up to 21st century library standards and introduce some new services such as the Digital Innovation Hub and the Music Instrumental Lending Library. The approved capital budget is \$10.158 million dollars. The scope of the York Woods project includes an interior redesign and renovation of the ground and second floors of the branch, and a modernization of the theatre.</p> <p>In order to alleviate much needed library service gaps, an alternative service plan will include a limited number of ongoing library services and programs. The proposed lease space at Yorkgate Mall also supplies a loading dock area where library material shipments may be received and sent, and a staff room including a couple of computers, a bathroom, and a small break area. The local Councillor has been informed of this alternate service plan. Should the York Woods project encounter delays in its completion, the lease agreement provides for four extension terms, each at 3 months in length for a total of one year.</p> |
| Terms | Refer to page 4 for details. |

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|-------------------------|-----------------------------|------------------------------|
| Property Details | Ward: | 7 – Humber River-Black Creek |
| | Assessment Roll No.: | |
| | Approximate Size: | |
| | Approximate Area: | Approximately 3,341 sq.ft. |
| | Other Information: | |

| A. | Manager, Real Estate Services has approval authority for: | Director, Real Estate Services 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: N/A</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 \$50,000.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><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.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to a more senior position.</p> <p>Delegated to a more senior position.</p> | <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 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>Delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 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 \$1 Million.</p> <p><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.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$1 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 \$1 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/Caution</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> |

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: | Anthony Perruzza | | | | Councillor: | | | | |
| Contact Name: | Moe Hosseini-Ara | | | | Contact Name: | | | | |
| Contacted by: | Phone | E-Mail | Memo | X Other | Contacted by: | Phone | E-mail | Memo | Other |
| Comments: | In person on Feb 4, 2019 meeting at City Hall | | | | Comments: | | | | |
| Consultation with Divisions and/or Agencies | | | | | | | | | |
| Division: | Toronto Public Library | | | | Division: | Financial Planning | | | |
| Contact Name: | Larry Hughsam | | | | Contact Name: | Lauren Birch | | | |
| Comments: | Consent | | | | Comments: | Consent | | | |
| Legal Division Contact | | | | | | | | | |
| Contact Name: | Michele Desimone | | | | | | | | |

| DAF Tracking No.: 2019 - 088 | Date | Signature |
|--|-----------------------|-----------------------|
| Recommended by: | | |
| <input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas | April 12, 2019 | Signed by Daran Somas |
| <input type="checkbox"/> Approved by: | | |
| <input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Nick Simos | April 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, 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.

Major Terms & Conditions

Premises:

Approximately 3,341 square feet of rentable space at Yorkgate Mall, Unit 30 at 1 York Gate Blvd.

Landlord:

7506473 Canada Inc.

Term:

Twenty-six months, estimated to commence on May 15, 2019 and end on July 15, 2021 which includes a fixturing period of two months starting May 15, 2019 and ending July 15, 2019.

Extended Term:

Four periods of three months each for a total extension of one year. Tenant must provide six months' written notice prior to the expiration of each term.

Use:

Alternate space for York Woods branch during its 2-year renovation. This district library branch is operated by the Toronto Public Library.

Minimum Rent:

Base rent of \$20.00 per sq.ft. or \$66,820.00 per year, plus applicable taxes, equivalent to \$5,568.33 per month. During the fixturing period there is no minimum rent payable.

Additional Rent:

Tenant pays for its proportionate share of certain common costs (including HVAC maintenance), estimated at \$10.00 per sq. ft., or \$2,784.17 per month in Year 1 (July 15, 2019 to June 14, 2020) and \$2,867.69 in Year 2 (July 15, 2020 to June 14, 2021). During the fixturing period there is no additional rent payable. Realty taxes are estimated to be \$7.30 per sq.ft, \$2,032.44 per month

Utilities:

Tenant pays for its proportionate share of utilities for the building, estimated at \$3.00 per sq. ft., or \$835.25 per month. During the fixturing period the Library must pay for utilities consumed

| | 2019 | 2020 | 2021 |
|---|--------------------|---------------------|--------------------|
| Base Rent | \$33,410.00 | \$ 66,820.00 | \$33,410.00 |
| Add't Rent | \$16,705.00 | \$ 33,410.00 | \$16,705.00 |
| Realty Taxes | \$12,194.65 | \$ 24,389.30 | \$12,194.65 |
| Utilities | \$ 6,682.00 | \$ 10,023.00 | \$ 5,011.50 |
| Total | \$68,991.65 | \$134,642.30 | \$67,321.15 |
| <i>*Utilities is calculated for 8 months in 2019 (May to Dec)</i> | | | |

Insurance:

The Tenant shall have the following:

- 1.) CGL limit per occurrence of \$5,000,000
- 2.) All risks property insurance
- 3.) Legal liability insurance for coverage against perils of fire, explosion, and other perils.
- 4.) Plate glass insurance
- 5.) Designation of 7506473 Canada Inc. as additional insured

Capital Repair

The cost to prepare the space for Library use is estimated at \$50,000 and will be funded by the 2019 Capital Budget. The Landlord is responsible for the base building mechanical systems serving the Premises. The Landlord will also upgrade the demising wall between the Premises and the immediately adjacent retail unit to a two-hour fire rated wall. Any modifications to the sprinkler system will be performed by the Landlord at the Tenant's cost.

Management Fee

Administration fee of 15% is included as part of Additional Rent.

Municipal Capital Facility Agreement

Where City Council has exempted the Premises from tax through the MCF process, the Landlord shall enter into the necessary municipal capital facility agreement with the City and shall pass the full benefit of such exemption on to the City during the entire period of any such exemption.

Location Map

