

**DELEGATED APPROVAL FORM**  
**DIRECTOR, REAL ESTATE SERVICES**  
**MANAGER, REAL ESTATE 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:	Owen Bartley	Division:	Real Estate Services
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Date Prepared:	April 29, 2019	Phone No.:	(416) 338-1297
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**Purpose** To obtain authority to renew the 2011 Lease Agreement (the "Agreement") between the City (the "Tenant") and 2276918 Ontario Inc. (the "Landlord") as amended by the 2014 Agreement for a further term of five (5) years for community recreation space within 145B Millwick Drive (the "Building").

**Property** 145B Millwick Drive, Toronto as shown on the map attached hereto as Appendix "B1" and in the image attached as Appendix "B2" (the "Property").

- Actions**
1. Authority be granted to renew the 2011 Lease Agreement as amended by the 2014 Lease Agreement with 2276918 Ontario Inc. for the use of space within the aforementioned property for an extended term commencing on November 1, 2017 and ending on October 31, 2022 subject to similar terms and conditions except for the terms and conditions outlined on page 4 of this form and on such other terms as may be satisfactory to the Chief Corporate Officer and in a form acceptable to the City Solicitor;
  2. The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

**Financial Impact** The total cost to the City is approximately \$90,199.00 plus HST over the five-year Term, commencing November 1, 2017 and expiring on October 31, 2022 based on the Basic Rent outlined below:

	Monthly Rent (+HST)	Annual Rent (+HST)
Year 1	\$ 1,173.50	\$ 14,082.00
Year 2	\$ 1,450.00	\$ 17,400.00
Year 3	\$ 1,537.00	\$ 18,444.00
Year 4	\$ 1,629.17	\$ 19,550.00
Year 5	\$ 1,726.92	\$ 20,723.00

There is no further right of renewal.

Funding is available in the 2019 Council Approved Operating Budget for Parks, Forestry and Recreation within cost centre group: PR020-30, GL 4530 to enter into the lease. For future years, sufficient budget to cover the costs over the duration of the lease will be requested as part of the 2020 – 2022 Budget Submission.

The Chief Financial Officer & Treasurer has reviewed this DAF and agrees with the financial impact information.

**Comments** Since 2011 Parks, Forestry and Recreation has leased additional recreation space to accommodate its senior's recreation programming at Gord and Irene Risk Community Centre. The 2011 Lease Agreement expired on October 31, 2014 and was renewed for a three (3) year term which expired on October 31, 2017. In the latter part of 2018 the Landlord agreed to extend the lease for five (5) additional years commencing November 1, 2017. Terms and conditions of the lease will remain the same, including rent, with except for to those terms and conditions acknowledged on page 4 of this form. The average rent during the five year term will be approximately \$9 per square foot.

**Terms** See Page 4

<b>Property Details</b>	<b>Ward:</b>	7 – Humber River – Black Creek
	<b>Assessment Roll No.:</b>	N/A
	<b>Approximate Size:</b>	N/A
	<b>Approximate Area:</b>	2000 sq. ft.
	<b>Other Information:</b>	N/A

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/REOs:</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 &amp; Parks &amp; 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 \$50,000.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><b>Delegated to a more senior position.</b></p> <p><b>Delegated to a more senior position.</b></p> <p><b>Delegated to a more senior position.</b></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><b>Delegated to a more senior position.</b></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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></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><b>Delegated to a more senior position.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to a more senior position.</b></p> <p><b>Delegated to a more senior position.</b></p>	<p><input checked="" 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/REOs.</p> <p><input type="checkbox"/> Initiate process &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><b>Delegated to a more senior position.</b></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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></p> <p><input 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:						Contact Name:				
Contacted by:	<input checked="" type="checkbox"/> Phone	<input checked="" type="checkbox"/> E-Mail	<input type="checkbox"/> Memo	<input type="checkbox"/> Other		Contacted by:	<input type="checkbox"/> Phone	<input type="checkbox"/> E-mail	<input type="checkbox"/> Memo	<input type="checkbox"/> Other
Comments:	Approved					Comments:				
Consultation with Divisions and/or Agencies										
Division:	Parks, Forestry and Recreation					Division:	Financial Planning			
Contact Name:	Dave Hains					Contact Name:	Lauren Birch			
Comments:	Please proceed					Comments:	Funding confirmed			
Legal Division Contact										
Contact Name:	Lisa A. A. Strucken									

DAF Tracking No.: 2019-119	Date	Signature
Concurred with by: Manager, Real Estate Services		
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas	April 29, 2019	Signed by Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Nick Simos	April 30, 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 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**.
- (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").

## **145B Millwick Drive Amended Terms and Conditions**

### **Licensed Area:**

The Tenant no longer has a licence to use the playing fields located at 135 Plunkett Road, Toronto.

### **Term and Renewal:**

Term of five (5) years commencing November 1, 2017 and expiring on October 31, 2022 except there is no further right of renewal.

### **Rent:**

the annual rent for the first year of the renewal term shall be \$14,082.00 plus HST, gross, payable in twelve monthly installments of ONE THOUSAND ONE HUNDRED AND SEVENTY THREE DOLLARS AND FIFTY CENTS (\$1,173.50) plus HST, gross, on the first day of each month, commencing on November 1, 2017;

the annual rent for the second year of the renewal term shall increase to \$17,400.00 plus HST, gross, payable in twelve monthly installments of ONE THOUSAND FOUR HUNDRED AND FIFTY DOLLARS (\$1,450.00) plus HST, gross, on the first day of each month, commencing on November 1, 2018;

the annual rent for the third year of the renewal term shall increase to \$18,444.00 plus HST, gross, payable in twelve monthly installments of ONE THOUSAND FIVE HUNDRED AND THIRTY-SEVEN DOLLARS (\$1,537.00) plus HST, gross, on the first day of each month, commencing November 1, 2019;

the annual rent for the fourth year of the renewal term shall increase to \$19,550.00 plus HST, gross, payable in twelve monthly installments of ONE THOUSAND SIX HUNDRED AND TWENTY-NINE DOLLARS AND SEVENTEEN CENTS (\$1,629.17) plus HST, gross, on the first day of each month, commencing November 1, 2020; and

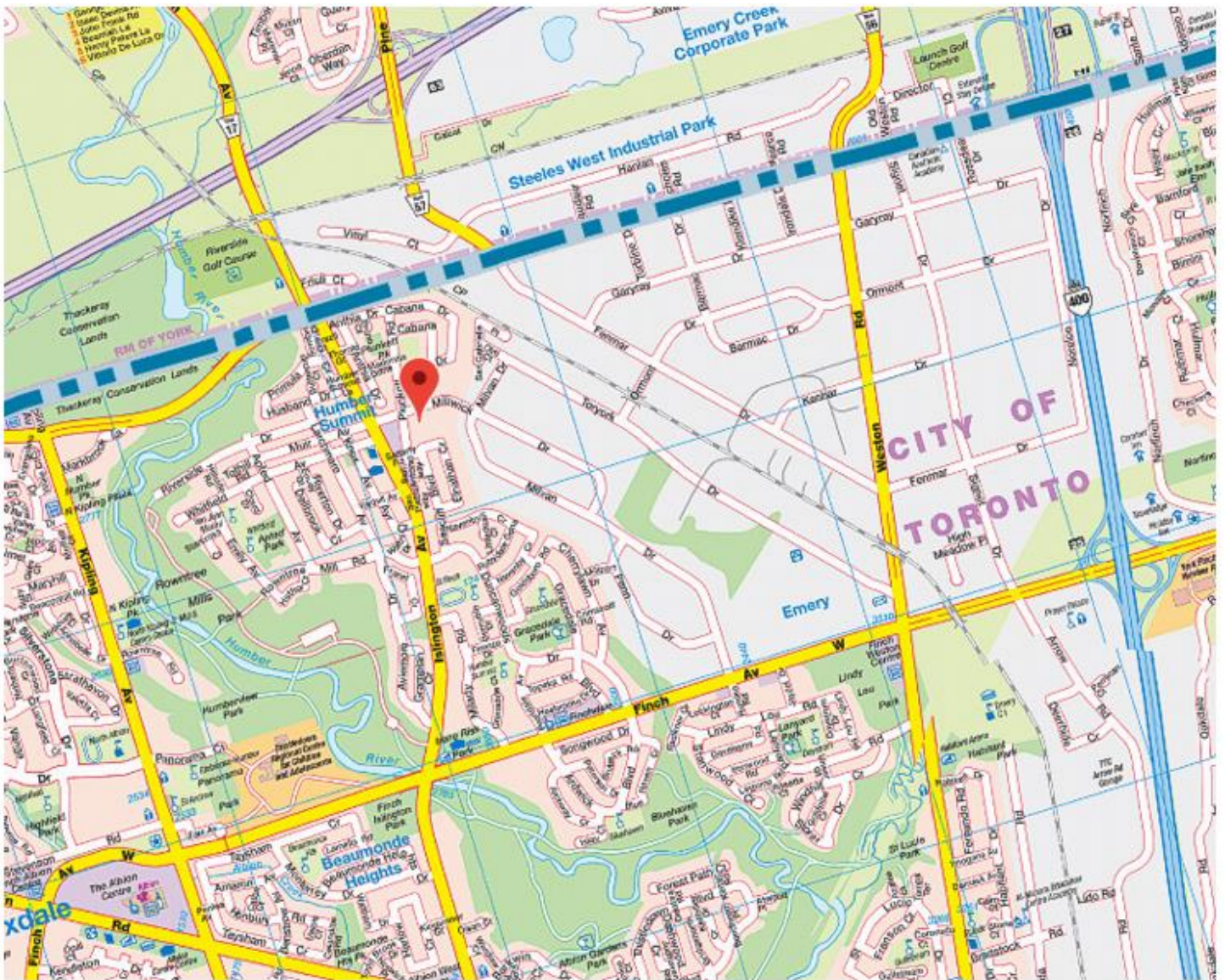
the annual rent for the fifth year of the renewal term shall increase to \$20,723.00 plus HST, gross, payable in twelve monthly installments of ONE THOUSAND SEVEN HUNDRED AND TWENTY-SIX DOLLARS AND NINETY-TWO CENTS (\$1,726.92) plus HST, gross, on the first day of each month, commencing November 1, 2021;

### **Early Termination:**

The Tenant may terminate this Agreement at any time after October 30, 2020 as follows:

- (a) by giving written notice to the Landlord no later than May 1, 2020 for termination on October 31, 2020; or
- (b) by giving written notice to the Landlord no later than May 1, 2021 for termination on October 31, 2021.

Appendix "B1" – Location Map



Appendix "B2" – Street View

