

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

TRACKING NO.: 2019-185

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:	Patricia Eastman/Myron Menezes	Division:	Toronto Public Library/Real Estate Services
Date Prepared:	June 28, 2019	Phone No.:	416-397-5946

Purpose	To obtain authority to enter a lease with Key Anlouis Investments Limited, as Landlord, and the City of Toronto, as Tenant, for approximately 1,345 square feet of rentable space at Birchmount Plaza, Unit 1A, 462 Birchmount Road, Toronto starting August 1, 2019 for a term of 2 years.
Property	Birchmount Plaza, 462 Birchmount Rd, Unit 1A, Toronto ON, M1K 1N8. Please see Appendix "B".
Actions	<ol style="list-style-type: none"> 1. Authority be granted to enter into a lease with Key Anlouis Investments Limited, as Landlord, and the City of Toronto, as Tenant, for approximately 1,345 square feet of rentable space at Birchmount Plaza, Unit 1A, 462 Birchmount Road, Toronto (the "Premises"), substantially on the terms and conditions outlined herein, and any such other terms and conditions deemed appropriate by the Deputy City Manager, Corporate Services ("DCM") in consultation with the City Librarian, and in a form acceptable to the City Solicitor; 2. The DCM, or her designate, administer and manage the Lease including the provision of any consents, approvals, waivers, notices and notices of termination in consultation with the City Librarian, provided that the DCM may, at any time, refer consideration of such matters to City Council for determination and direction; 3. Application to be prepared by City staff for a Municipal Capital Facility Agreement. 4. The appropriate City and Toronto Public Library Board ("TPL") staff be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>The total cost to the City/TPL for the 2-year term inclusive of base rent and additional rent ("Fixed Operating Costs") will be \$58,978.25 before HST or \$60,016.27 net of HST recoveries for 1,345 square feet. Base rent is \$18.90 per square foot for the 2-year term and additional rent is \$2.98 per square foot with an estimated 3% increase in Year 2. Total utilities will be approximately \$8,070.00 before HST or \$8,212.03 net of HST recoveries for the 2-year term. With a lease start date of August 1, 2019, the annual cost to the City/TPL net of HST recoveries is as follows: \$14,188.57 in 2019, \$34,103.88 in 2020, \$19,935.85 in 2021.</p> <p>In the event that the Albert Campbell renovation project takes longer than the estimated 2 years, the lease agreement includes the option to extend the lease on a month to month basis with base rent remaining unchanged at \$18.90 per sq. ft. Funding for the leasing and utility costs is available in the 2019 Council Approved Operating Budget for TPL. Funding for subsequent years will be requested, as required, in the 2020/2021 Operating Budget Submissions for TPL.</p> <p>The cost to prepare the space for library use is estimated at \$200,000.00. Funding is available with the 2019 Capital Budget for TPL under the Albert Campbell Renovation – Construction capital account CLB198-02.</p> <p>The Director, Finance and Treasurer (TPL) and Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>As a district branch in the south-west sector of former Scarborough, the Albert Campbell branch serves an immediate community of over 50,000 residents including the Oakridge and Kennedy Park Neighbourhood Improvement Areas. The 26,100 square foot branch is slated to close for approximately two years while it undergoes renovation. Focus groups with residents and community feedback sent to representatives of all levels of government have confirmed the need for an alternate library service during the closure. There are very few other services or accessible indoor public spaces in the Albert Campbell neighbourhood. TPL staff will be deployed to conduct some outreach and programming activities with local schools, day cares and community agencies. However, community members have stressed the value placed on access to collections and computer services by marginalized residents who do not have the means to travel to another library branch. It is very important that TPL establish an alternate service location remain to serve residents in this high needs community during the renovation of the Albert Campbell branch.</p> <p>Continued on Page 4.</p>
Terms	Refer to Appendix "A" for the major terms and conditions.

Property Details	Ward:	20 – Scarborough South-West
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	125 m ² ± (1345 ft ² ±)
	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/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 & 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/REOs.</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>
<p>B. Director, Real Estate Services and Manager, Real Estate Services each has signing authority on behalf of the City for:</p>		
<ul style="list-style-type: none"> • 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). 		
<p>Director, Real Estate Services also has signing authority on behalf of the City for:</p>		
<ul style="list-style-type: none"> • 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:	Gary Crawford				Councillor:										
Contact Name:					Contact Name:										
Contacted by:	Phone	X	E-Mail		Memo		Other	Contacted by:	Phone		E-mail		Memo		Other
Comments:	No objection – 06.28.2019				Comments:										
Consultation with Divisions and/or Agencies															
Division:	Toronto Public Library				Division:	Financial Planning									
Contact Name:	Harvey Mooradian				Contact Name:	Lauren Birch									
Comments:	No objection – 06.27.2019				Comments:	No objection – 06.27.2019									
Legal Division Contact															
Contact Name:	Michele Desimone														

DAF Tracking No.: 2019-185	Date	Signature
Recommended by:		
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas	June 28, 2019	Signed by Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Nick Simos	July 2, 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.

Comments continued

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 Birchmount Plaza will include a curated browsing collection of popular library materials for residents of all ages, a book drop for customers to return library materials, and 2 public access computer workstations, among others.

The local Councillor has been informed of this alternate service plan.

Should the Albert Campbell project encounter delays in its completion, the lease agreement provides for an option to extend the lease on a month to month basis at the same base rent rate.

APPENDIX "A"**Major Terms & Conditions****Premises:**

Approximately 1,345 square feet of rentable space at Birchmount Plaza, Unit 1A at 462 Birchmount Road.

Landlord:

Key Anlouis Investments Limited

Term:

Two years, estimated to commence on August 1, 2019 and end on July 31, 2021.

Extended Term:

Month to month basis, all other conditions to remain the same including base rent of \$18.90 per sq. ft.

Use:

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

Base Rent:

Base rent of \$18.90 per sq.ft. or \$50,841.00 total for the term, plus applicable taxes, equivalent to \$2,118.38 per month.

Additional Rent:

Tenant pays for its proportionate share of certain common costs, estimated at \$2.98 per sq. ft., or \$334.01 per month in Year 1 (August 1, 2019 to July 30, 2020). Any increase to these costs is capped at 5%.

Fiscal Year	2019	2020	2021	Total
Base Rent (Before HST)	10,591.88	25,420.50	14,828.63	50,841.00
Additional Rent (Before HST)	1,670.04	4,058.54	2,408.67	8,137.25
Utilities (Before HST)	1,681.25	4,035.00	2,353.75	8,070.00
Subtotal	13,943.17	33,514.04	19,591.05	67,048.25
Total Net of HST Recovery	14,188.57	34,103.88	19,935.85	68,228.30

Utilities:

Tenant pays for its proportionate share of utilities for the building, estimated at \$3.00 per sq. ft., or \$336.25 per month.

Capital Repair:

The cost to prepare the space for Library use is estimated at \$200,000.00 and will be funded by the 2019 Capital Budget.

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.

Appendix "B"

Location Map

