

**DELEGATED APPROVAL FORM
CITY MANAGER
DEPUTY CITY MANAGER, CORPORATE SERVICES**

TRACKING NO.: 2019-153

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:	Quang Pham	Division:	Real Estate Services
Date Prepared:	June 19, 2019	Phone No.:	(416) 392-7214

Purpose	To obtain authority to extend and amend the lease agreement (the " Agreement ") between the City of Toronto (the " City ") and Budgetcar inc. (the " Tenant ") for four (4) years commencing November 1, 2017 and expiring October 31, 2021 with the option to extend one (1) year commencing November 1, 2021 until October 31, 2022 for use of part of 271 Front Street East and all of 25 Berkley Street (the " Property ") for the operation of a car rental lot.
Property	The Property, part of 271 Front Street East and all of 25 Berkley Street, is legally described in Appendix "A". The Property contains a standalone structure of approximately 3,320 square feet and a vacant surface area of approximately 24,419 square feet as shown outlined in Appendix "B".
Actions	<ol style="list-style-type: none"> 1. Authority to be granted to amend and extend the Agreement for four (4) years commencing November 1, 2017 and expiring October 31, 2021 with the option to extend one (1) more year until October 31, 2022 on terms contained herein and on any other or amended terms considered appropriate by the Chief of Corporate Officer, and in a form acceptable to the City Solicitor. 2. The Deputy City Manager shall administer and manage the Agreement including the provision of any consents, approvals, waivers, notices and notices of termination provided that the Deputy City Manager may, at any time, refer consideration of such matters to City Council for the determination and direction; and 3. The appropriate City Officials are authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>The total revenue to the City for the 4-year term will be One Million One Hundred and Seventy-Thousand Nine Hundred and Forty-Six Dollars and Ninety-two cents (\$1,170,946.92) plus any harmonized sales tax for the Term.</p> <p>The Chief Financial Officer & Treasurer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>271 Front Street East is a portion of the Site of Canada's First Parliament Site. The First Parliament site buildings were formerly located at the southwest corner of Front Street East and Parliament Street (known municipally as 265 and 271 Front Street East, 3 and 25 Berkeley Street). At its meeting on July 11, 12 and 13th, 2012, City Council adopted MM25.54 granting authority for an expropriation proceeding to acquire 271 Front Street East and 25 Berkeley Street to redevelop the lands as a historical site. The Tenant had a lease relating to the Property with the former owner. Once the City acquired the Property, the City entered into a lease agreement with the Tenant authorized by DAF 2012-253 for an initial term of three (3) years.</p> <p>As per the Lease Extension Agreement, dated November 1, 2015, the term was extended from November 1, 2015 to October 31, 2017.</p> <p>At this time there is no immediate timetable for redevelopment of the Property to occur and the lease could be extended until 2022.</p> <p>Real Estate Services staff considers the proposed rent and other terms and conditions in the Agreement to be fair, reasonable and at market value.</p>
Terms	See "Appendix A" for Major Terms & Conditions.

Property Details	Ward:	13 – Kristyn Wong-Tam
	Assessment Roll No.:	(190407137000250) & (190407137000100)
	Approximate Size:	
	Approximate Area:	2,268.59 m ² ± (24,419 ft ² ±)
	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 checked="" 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 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 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:	Kristyn Wong-Tam				Contact Name:				
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other		
Comments:	No objections (06-14-2019)				Comments:				
Consultation with Divisions and/or Agencies									
Division:	Toronto Parking Authority				Division:	Financial Planning			
Contact Name:	Gregory Blyskosz				Contact Name:	Lauren Birch			
Comments:	Approved (05-22-2019)				Comments:	No objections (06-12-2019)			
Legal Division Contact									
Contact Name:	David Eveline								

DAF Tracking No.: 2019-153	Date	Signature
Recommended by: Daran Somas, Manager, Real Estate Services	June 19, 2019	Signed by Nick Simos
Recommended by: Nick Simos, Director, Real Estate Services	June 26, 2019	Signed by Nick Simos
<input type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services	June 26, 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-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.

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" – Major Terms & Conditions

Tenant:

Budgetcar Inc.

Term:

Four (4) years, commencing on November 1, 2017 and ending on October 31, 2021 with the option to renew one (1) year term commencing November 1, 2021 until October 31, 2022.

Use:

Car Rental Business

Basic Rent:

November 1, 2017 to October 31, 2018: \$23,324.00 plus HST per month

November 1, 2018 to October 31, 2019: \$24,023.72 plus HST per month

November 1, 2019 to October 31, 2020: \$24,744.43 plus HST per month

November 1, 2020 to October 31, 2021: \$25,486.76 plus HST per month

November 1, 2021 to October 31, 2022: extension privilege is subject to rate increase based on market conditions

Fiscal Year	2017	2018	2019	2020	2021	2022
Basic Rent (Before HST)	46,648.00	281,287.44	289,726.06	298,417.82	254,867.60	TBD
Operating Costs (Before HST)						
Realty Tax (Before HST)						
Additional Rent (Before HST)						
Total Before HST (for Lease Out)	46,648.00	281,287.44	289,726.06	298,417.82	254,867.60	TBD

Early Termination:

At any time during the Extended Term either party shall have the right to terminate the Lease upon giving written notice to the other party.

Payment of Costs:

The Tenant is responsible for taxes, operating costs, and for the costs relating to the repair and maintenance (whether or not of a capital nature) of the Property.

The Tenant is not in arrears under the lease.

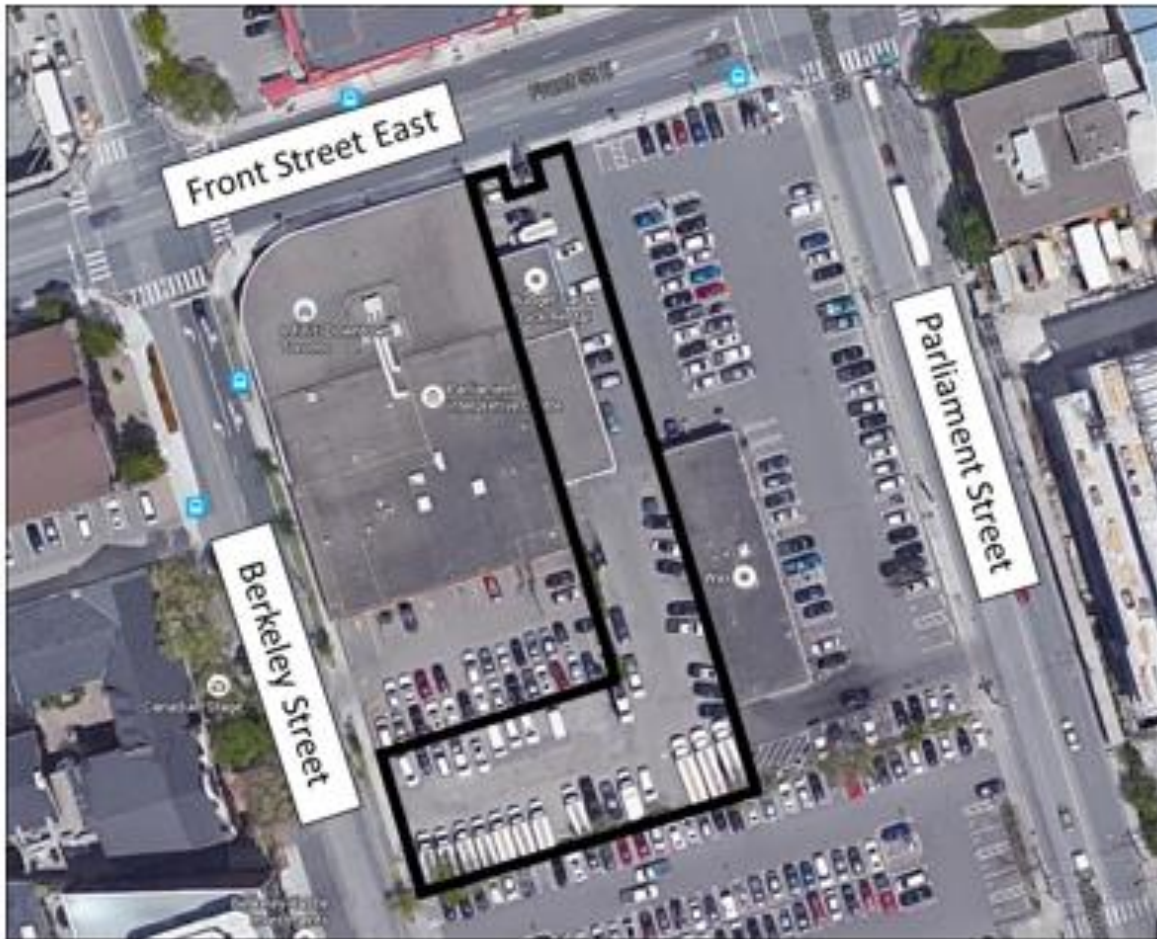
Heritage Protocols:

No activities are to be undertaken which could result in any disturbances to existing surfaces and any subsurface without prior review and approval by Real Estate Services, City Planning Heritage Preservation Services and the Ontario Heritage Trust, all of which may be unreasonably withheld and/or delayed. Under the Ontario Heritage Act R.S.O. 1990 it is an offence to knowingly alter an archaeological site and fines up to \$1,000,000.00 may be imposed.

Insurance:

The Tenant shall obtain and maintain Comprehensive General Liability, in the amount of not less than Five Million Dollars (\$5,000,000.00) per occurrence, with the City of Toronto as additional insured.

Appendix "B" – Property Map



Appendix "C" – Site Location

