

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

TRACKING NO.: 2019-196

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

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|----------------|----------------|------------|----------------------|
| Prepared By: | Patrick McCabe | Division: | Real Estate Services |
| Date Prepared: | July 30, 2019 | Phone No.: | 416 338 7941 |

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|-------------------------|--|
| Purpose | To obtain authority to enter into a lease extension agreement (the " Agreement ") with The Order of St. Basil The Great Holding Corporation (the " Landlord ") for the continued use of the premises at 3100 Weston Road, Toronto by the City's Parks, Forestry & Recreation division ("PF&R") to operate the facility for community recreation purposes for a further term of five (5) years, on the terms outlined in Appendix "A". |
| Property | The premises comprise of approximately 13.5 acres of land and 49,833 square feet of rentable area at 3100 Weston Road, Toronto, as shown on the sketch attached as Appendix "B" (the "Leased Premises") |
| Actions | <ol style="list-style-type: none"> Authority be granted to enter into the Agreement with the Landlord substantially on the terms and conditions set out herein and any other or amended terms and conditions as may be deemed appropriate by the Deputy City Manager, Corporate Services ("DCM"), and in a form acceptable to the City Solicitor. The DCM or his or her designate shall administer and manage the Agreement, including the provision of any consents, approvals, amendments, waivers, notices and notices of termination provided that the DCM may, at any time, refer consideration of such matter to City Council for its determination and direction: and The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto. |
| Financial Impact | <p>The total cost to the City for the five (5) year term inclusive of basic rent and estimated operating costs is \$4,333,679 (plus HST) or \$4,409,952.15 (net of HST recoveries). This is comprised of basic rent in the amount of \$2,333,679.30 (plus HST) or \$2,374,751.88 (net of HST recoveries), and estimated operating costs in the amount of \$2,000,000 (plus HST) or \$2,035,200.12 (net of HST recoveries).</p> <p>Please See Appendix "C" for breakdown by fiscal year.</p> <p>Under the terms of the agreement the Landlord will remain liable for a 13.89% share of utility costs for rentable area within the building retained by the Landlord, and not included in the PF&R rentable area of 49,833.</p> <p>Funding for the basic rent and operating costs is included in the 2019 Council Approved Operating Budget for Parks, Forestry & Recreation (PF&R) and will be included in future year Operating Budget submissions for Council consideration.</p> <p>The Chief Financial Officer & Treasurer has reviewed this DAF and agrees with the financial impact information.</p> |
| Comments | See page 2 |
| Terms | See Appendix "A" for Major Terms and Conditions. |

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|-------------------------|-----------------------------|---|
| Property Details | Ward: | 7 – Humber River – Black Creek |
| | Assessment Roll No.: | 1908 012 290 22700 |
| | Approximate Size: | |
| | Approximate Area: | 4,630 m ² ± (49,833 ft ² ±) |
| | Other Information: | |

Comments:

As authorized by City Council at its meeting on February 1, 2 and 3, 2000 (Clause 11, Report No. 2 of the Policy and Finance Committee) under confidential communication, the City entered into a lease dated December 1, 1999 (the "Original Lease") with the Landlord for the purpose of establishing a community centre at 3100 Weston Road, Toronto, for a term of ten (10) years less a day, commencing on December 1, 1999 and expiring on November 29, 2009. By a conditional letter agreement dated September 24, 2008 and accepted by the Landlord on September 25, 2008 (the "First Extension Agreement"), the parties agreed, amongst other matters, to extend the Original Lease for a further term of ten (10) years plus one day, from November 30, 2009 to November 30, 2019. At its meeting on February 23, 24 and 25, 2009, City Council adopted GM21.5 authorizing the extension of the lease from November 30, 2009 to November 30, 2019. By a supplementary agreement dated February 2009 (the "Supplementary Agreement"), the parties agreed to certain amendments to the lease regarding the installation of outdoor lighting in the upper and lower playing fields.

PF&R confirmed that the Leased Premises are required for the continuation of providing recreational programs and services to the community, and the Landlord has agreed to a five year extension.

Real Estate Services considers the terms of the proposed Agreement to be fair and reasonable, and at market rates.

| A. | Deputy City Manager, Corporate Services has approval authority for: | City Manager has approval authority for: |
|--|--|---|
| 1. Acquisitions: | <input type="checkbox"/> Where total compensation does not exceed \$5 Million. | <input type="checkbox"/> Where total compensation does not exceed \$10 Million. |
| 2. Expropriations: | <input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million. | <input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 Million. |
| 3. Issuance of RFPs/REOs: | <input type="checkbox"/> Issuance of RFPs/REOs. | Delegated to a less senior position. |
| 4. Permanent Highway Closures: | <input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law. | Delegated to a less senior position. |
| 5. Transfer of Operational Management to Divisions and Agencies: | <input type="checkbox"/> Transfer of Operational Management to Divisions and Agencies. | Delegated to a less senior position. |
| 6. Limiting Distance Agreements: | <input type="checkbox"/> Where total compensation does not exceed \$5 Million. | <input type="checkbox"/> Where total compensation does not exceed \$10 Million. |
| 7. Disposals (including Leases of 21 years or more): | <input type="checkbox"/> Where total compensation does not exceed \$5 Million. | <input type="checkbox"/> Where total compensation does not exceed \$10 Million. |
| 8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan: | <input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan. | Delegated to a less senior position. |
| 9. Leases/Licences (City as Landlord/Licensor): | <input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million. | <input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million. |
| | <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. | Delegated to a less senior position. |
| | <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. | Delegated to a less senior position. |
| 10. Leases/Licences (City as Tenant/Licensee): | <input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million. | <input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million. |
| 11. Easements (City as Grantor): | <input type="checkbox"/> (a) Where total compensation does not exceed \$5 Million. | <input type="checkbox"/> Where total compensation does not exceed \$10 Million. |
| | <input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration. | Delegated to a less senior position. |
| 12. Easements (City as Grantee): | <input type="checkbox"/> Where total compensation does not exceed \$5 Million. | <input type="checkbox"/> Where total compensation does not exceed \$10 Million. |
| 13. Revisions to Council Decisions in Real Estate Matters: | <input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)). | <input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)). |
| 14. Miscellaneous: | <input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences | Delegated to a less senior position. |
| | <input type="checkbox"/> (b) Releases/Discharges | |
| | <input type="checkbox"/> (c) Surrenders/Abandonments | |
| | <input type="checkbox"/> (d) Enforcements/Terminations | |
| | <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates | |
| | <input type="checkbox"/> (f) Objections/Waivers/Cautions | |
| | <input type="checkbox"/> (g) Notices of Lease and Sublease | |
| | <input type="checkbox"/> (h) Consent to regulatory applications by City, as owner | |
| | <input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title | |
| | <input type="checkbox"/> (j) Documentation relating to Land Titles applications | |
| | <input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds | |

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: | Anthony Perruzza | Councillor: | |
| Contact Name: | No Objection (July 12, 2019) | Contact Name: | |
| Contacted by: | Phone <input type="checkbox"/> X E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/> | Contacted by: | Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/> |
| Comments: | | Comments: | |

Consultation with Divisions and/or Agencies

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|---------------|-------------------------------|---------------|---------------------------|
| Division: | Parks, Forestry & Recreation | Division: | Financial Planning |
| Contact Name: | Howie Dayton / Cathy Vincelli | Contact Name: | Filisha Jenkins |
| Comments: | Concurs (June 13, 2019) | Comments: | Concurs (July 19, 2019) |

Legal Division Contact

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| Contact Name: | Shirley Chow (July 11, 2019) |
|---------------|------------------------------|

| DAF Tracking No.: 2019-196 | Date | Signature |
|--|---------------|------------------------|
| Recommended by: | | |
| Recommended by: Nick Simos, A / Director, Real Estate Services | July 30, 2019 | Signed by Nick Simos |
| <input type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services | July 31, 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")

- 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.
- 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.
- Exercise of delegated authority is subject to all applicable Council policies, statutes or other applicable law.
- 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.
- Property interests are to be based on appraised value, and no interest shall be granted at less than market value unless otherwise specifically authorized.
- Authority to approve transactions at less than market value is subject to statutory anti-bonusing provisions.
- 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.
- 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.
- 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.
- Disposal authorities in **A.7** are subject to the property having been declared surplus, and the disposal policy complied with.
- Land exchanges, except for those in **A.8**, may be authorized based on the delegated Approving Authority for disposals in **A.7**.
- 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.
- 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.
- 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**.
- 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.
- 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.
- 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.
- 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).
- Approving Authority in leasing matters includes authority to approve renewals/extensions within the parameters of the delegated Approving Authority.
- 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.
- 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.
- 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).
- Staff positions referred to in this delegation include successors from time to time.
- Documents are to be in a form satisfactory to the City Solicitor (including indemnity and insurance provisions).
- Delegated signing authorities in **B** are conditional upon the documents having received the City Solicitor's prior "Approval as to Form".
- 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.
- All residential leasing documents shall adhere to the *Residential Tenancies Act, 2006* and any successor legislation.
- 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.
- 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" – Terms & Conditions

Landlord: The Order of St. Basil The Great Holding Corporation

Tenant: City of Toronto

Leased Premises: Approximately 13.5 acres of land and 49,833 square feet of rentable area at 3100 Weston Road, Toronto

Extended Term: Five (5) years, commencing on December 1, 2019 and expiring on November 30, 2024

Basic Rent:

| Time Period | Basic Rent Per Square Feet | Basic Rent per Annum | Basic Rent per Month |
|--------------------------------------|-----------------------------------|-----------------------------|-----------------------------|
| December 1, 2019 - November 30, 2020 | \$9.00 | \$448,497.00 | \$37,374.75 |
| December 1, 2020 – November 30, 2021 | \$9.18 | \$457,466.94 | \$38,122.25 |
| December 1, 2021- November 30, 2022 | \$9.36 | \$466,436.88 | \$38,869.74 |
| December 1, 2022 – November 30, 2023 | \$9.55 | \$475,905.15 | \$39,658.76 |
| December 1, 2023 – November 30, 2024 | \$9.74 | \$485,373.42 | \$40,447.79 |

Early Termination: Both the Landlord's and the City's right of early termination as set out in Section 3.2 of the Original Lease continues to apply during the Extended Term.

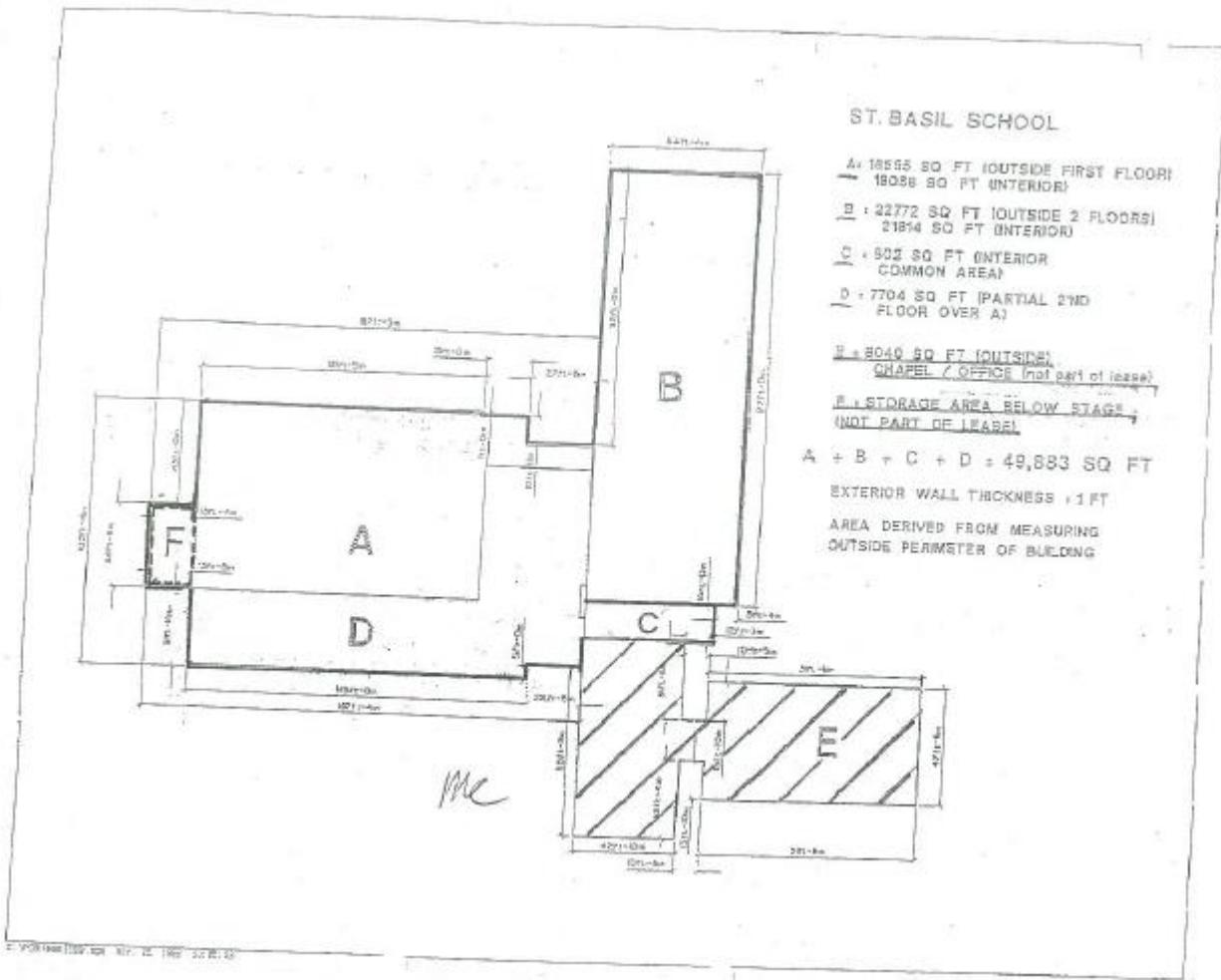
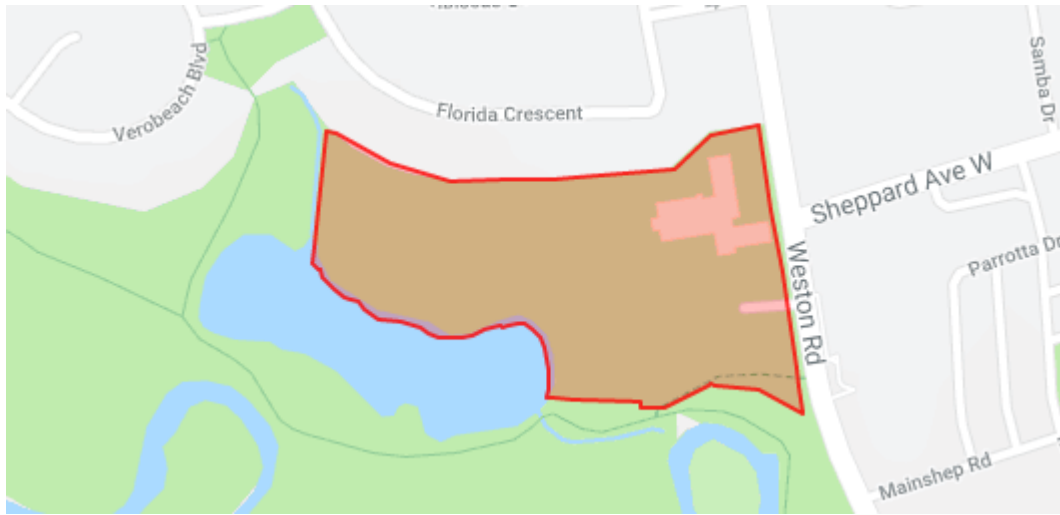
Playing Fields: The Landlord and the City agree that the playing fields referenced in the Supplementary Agreement form part of the Leased Premises, and the City agrees to abide by the terms of the Supplementary Agreement; save and except that the Landlord acknowledges and agrees that H.S. East Wing Management Board is no longer a subtenant of the City, and no longer a party to this Lease. For greater clarity, the Landlord acknowledges that the Rentable Area of the Premise is approximately 49,833 square feet, inclusive of the playing fields.

Assignment and Sub-letting: The Landlord acknowledges that portions of the Leased Premises are currently subleased by the City to two existing sub-tenants, and the City agrees to obtain the Landlord's prior written consent prior to extending or renewing the two existing sub-tenants in accordance with Section 16.1 of the Original Lease.

Prior Period Adjustments: The Landlord and the City acknowledge that the reconciliation and adjustment of the Landlord's proportionate share of operating expenses, being 13.89% of the total operating expense incurred by the City, has not occurred for the period from March 31, 2016 to date (the "Outstanding Period"). The Landlord and the City covenant and agree to reconcile the operating expenses for the Outstanding Period and the Landlord agrees to pay the City the Landlord's proportionate share of the operating expenses for the Outstanding Period within thirty (30) days of receipt of an invoice from the City, failing which the City may offset any unpaid amounts from Basic Rent then owing by the City to the Landlord, in accordance with the provisions of Section 6.2(b) of the Original Lease.

Municipal Capital Facilities Agreement: The Landlord agrees that the provisions of Section 8 of the First Extension Agreement continues to apply during the Extended Term.

APPENDIX "B" – Site and Leased Premises Floor Plan



APPENDIX "C"

Financial Impact by Fiscal Year over Term of lease

| Fiscal Year | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|------------------------------|--------|---------|---------|---------|---------|---------|
| Basic Rent (Before HST) | 37,987 | 449,363 | 458,229 | 467,241 | 476,597 | 444,263 |
| Additional Rent (Before HST) | 33,880 | 400,093 | 400,000 | 400,000 | 399,907 | 366,120 |
| Total Before HST | 71,867 | 849,456 | 858,229 | 867,241 | 876,504 | 810,383 |
| Total Net of HST Recovery | 73,132 | 864,406 | 873,334 | 882,504 | 891,930 | 824,646 |