

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

TRACKING NO.: 2019-238

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: | Rutvik Pandya | Division: | Real Estate Services |
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|----------------|----------------|------------|--------------|
| Date Prepared: | August 6, 2019 | Phone No.: | 416 338-5812 |
|----------------|----------------|------------|--------------|

Purpose To obtain authority to enter into a three (3) year lease agreement (the "Lease") with Paul Thurton (the "Tenant"), for premises described as 2,169 square feet of space (the "Premises").

Property 705 Progress Avenue, Unit 101, Toronto, Ontario. Shown in Appendix "B".

- Actions** It is recommended that:
1. authority be granted to enter into a three (3) year lease agreement with the Tenant for the Premises on the terms and conditions outlined herein and in a form acceptable to the City Solicitor;
 2. the Director, Real Estate Services or designate shall administer and manage the lease agreement including the provisions of any consents, approvals, waivers, notices and notices of termination provided that the Director, Real Estate Services may, at any time, refer consideration of such matter to City Council for its determination and direction; and
 3. the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact 705 Progress Avenue is a jointly owned facility between the Toronto District School Board and the City of Toronto. All revenues collected are divided equally between both parties. According to the original decision in 1996, when the City of Scarborough acquired the property, the City's portion will be transferred to a dedicated parkland reserve fund (5% and 2% Land Acquisition Reserve Fund Scarborough – XR2007).

The total minimum rent from the Lease for the three (3) year term is \$59,647.50 (plus HST), commencing August 1, 2019 and ending July 31, 2019, the equivalent of \$9.00 per square foot in Year 1 and \$9.25 per square foot in Years 2 and 3. The estimated additional rent from the Lease for the 2019 fiscal year is \$12,536.82 (plus HST), the equivalent of \$5.78 per square foot. Additional rent is revised each year and is based on the operating budget for the property. Additional rent comprises the tenant's pro rata share of realty taxes, building insurance and maintenance. The tenant is also responsible for all other occupancy costs including water, gas, hydro, heating and air conditioning.

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

Comments 705 Progress Avenue is an industrial mall type of property consisting of approximately 156,000 square feet acquired in August, 1996 by the former City of Scarborough in partnership with the former Scarborough Board of Education (the "**Board**"). Pending development of the property as a future park and a school facility, it was decided to continue to lease the units to multiple tenants. Former City of Scarborough and the Board entered into an Operating Agreement dated January 2, 1997, which provided that the City in consultation with the Board would engage a property manager (currently Compass Commercial Realty Limited) and enter into a management agreement. The City and the property manager would be responsible for the day-to-day operation of the property. There are no plans at the present time to carry out the intended uses by the City and the Board for the property.

The Premises shall be used and shall continually be operated throughout the term as a dance studio.

Terms Refer to Major Terms and Conditions outlined in Appendix "A", on page 4.

| | | |
|-------------------------|-----------------------------|-----------------------------|
| Property Details | Ward: | 24-Scarborough Guildwood |
| | Assessment Roll No.: | Part of 1901-05-2-810-04300 |
| | Approximate Size: | |
| | Approximate Area: | 2,169 ft ² |
| | Other Information: | |

| A. | Manager, Real Estate Services has approval authority for: | Director, Real Estate Services has approval authority for: |
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| <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 \$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 checked="" 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 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: | Paul Ainslie | | | | Councillor: | | | | | | | | | | |
| Contact Name: | | | | | Contact Name: | | | | | | | | | | |
| Contacted by: | Phone | <input checked="" type="checkbox"/> | E-Mail | | Memo | | Other | Contacted by: | Phone | | E-mail | | Memo | | Other |
| Comments: | No comments received – Aug 12,2019 | | | | Comments: | | | | | | | | | | |
| Consultation with Divisions and/or Agencies | | | | | | | | | | | | | | | |
| Division: | | | | | Division: | Financial Planning | | | | | | | | | |
| Contact Name: | | | | | Contact Name: | Filisha Jenkins | | | | | | | | | |
| Comments: | | | | | Comments: | Concurred – Aug 1,2019 | | | | | | | | | |
| Legal Division Contact | | | | | | | | | | | | | | | |
| Contact Name: | Seija Molema – Comments incorporated – Aug 13,2019 | | | | | | | | | | | | | | |

| DAF Tracking No.: 2019-238 | Date | Signature |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|------------------------|
| Concurred with by: Manager, Real Estate Services | | |
| <input checked="" type="checkbox"/> Recommended by: Manager, Property Management & Lease Administration <input type="checkbox"/> Approved by: Alex Schuler | Aug. 23, 2019 | Signed by Alex Schuler |
| <input checked="" type="checkbox"/> Approved by: Acting Director, Real Estate Services Nick Simos | Aug. 23, 2019 | Signed by Nick Simos |

General Conditions ("GC")

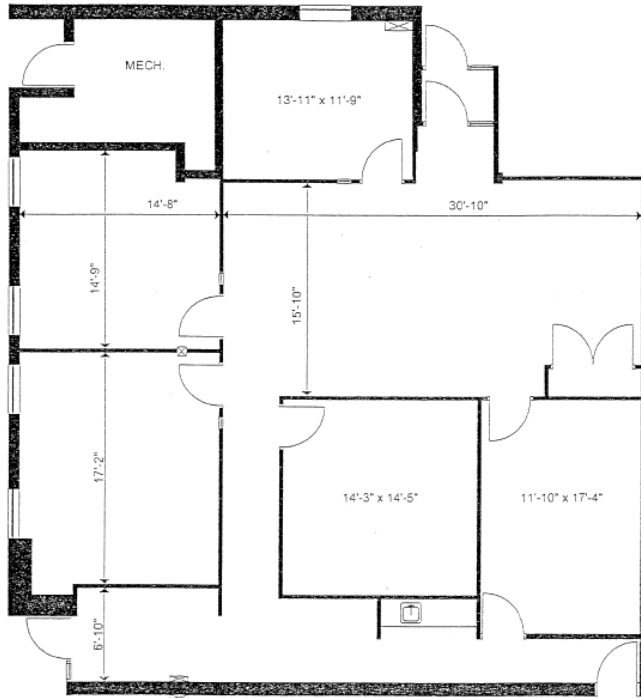
- (a) The local Councillor (or local Councillors if the subject property is located on a ward boundary or if the transaction involves an exchange of properties in more than one ward), will be consulted prior to the exercise of delegated Approving Authority by staff for all Acquisitions, Disposals, Land 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.
- (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").

Appendix "A"
Major Terms and Conditions

| | | | |
|------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|---------------------------------------|
| Rent: | Months 1 - 12 | Net Rent | \$19,521.00 (\$9.00/ft ²) |
| | Months 13 - 36 | Net Rent | \$40,126.50 (\$9.25/ft ²) |
| Additional Rent: | Year 2019 (August 1, 2019 – December 31, 2019): \$5,223.66 at \$5.78/ft ² , adjusted annually. | | |
| Area: | 2,169 ft ² . | | |
| Term: | Three (3) years (August 1, 2019 – July 31, 2022). | | |
| Use: | The Premises shall be used and shall continually be operated throughout the term as a dance studio. | | |
| Net Rent Free Period: | None. | | |
| Landlord's Work: | None. | | |
| Deposit: | The Landlord holds a deposit for the last month's rent and additional rent becoming due in the amount of \$3,069.84. | | |
| Option to Renew: | N/A. | | |
| Termination Clause: | By the Tenant with three (3) months' written notice. By the Landlord with six (6) months' written notice. | | |
| NSF Fee: | \$100.00 per NSF cheque. | | |
| Late Payment Charges: | 1.25% per month or 15% per annum. | | |
| Payment: | Tenant to provide Pre-Authorized Debit form to the Landlord on or before the lease commencement. | | |
| Truck Parking: | N/A | | |
| Water Heater: | N/A | | |
| Water Access: | The tenant must satisfy itself at its own expense to clean the unit floors. There will be no access to any water source on the property. If the tenant elects to install its own water source, it must be done with prior approval from the landlord. | | |

Appendix "B"

SCHEDULE "A"
Floor Plan



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Mudie
MANAGEMENT LTD.

705 Progress Avenue, Unit 62
Toronto, Ontario M1H 2X1
tel: (416) 430-0015 fax: (416) 430-0016
e-mail: mudie@mgt.on.abn.com

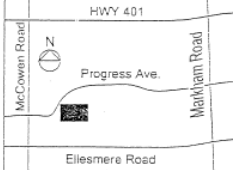
Version 1.0 | October 2001

705 Progress Ave.
Scarborough On.
M1H 2X1
Suite 101

Areas

2,169 sq ft

Location Map



Drawing Scale



prepared by
extreme measures tel: 416-323-2958
fax: 416-323-0855
info@extrememeasures.com
www.extrememeasures.com

Measured Using
Laser Technology

