

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

TRACKING NO.: 2019-208

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:	Corporate Real Estate Management
Date Prepared:	August 16, 2019	Phone No.:	(416) 338-1297

**Purpose**  
 To obtain authority to enter into a Lease Agreement (the "Agreement") with Kipling Plaza Limited (the "Landlord") for a constituency office for Councillor Michael Ford at 2141 Kipling Avenue, Unit 11 & 12, Toronto (the "Leased Premises"). The Leased Premises consists of approximately 1,062 sq. ft., with a term commencing on October 1, 2019 and expiring on November 14, 2022.

**Property**  
 2141 Kipling Avenue, Unit 11 & 12, City of Toronto, ON as shown on Schedule "B" attached hereto.

**Actions**  
 1. Authority be granted to enter into the Agreement with the Landlord, subject to the terms and conditions outlined in Appendix "A" herein, and on such other terms and conditions as may be satisfactory to the Director, Real Estate Services, and in a form acceptable to the City Solicitor.

**Financial Impact**  
 The total estimated cost to the City of Toronto for the combined term of three (3) years, one (1) month and fourteen (14) days will be approximately \$107,398.20 (plus HST) or \$109,288.40 (net of HST recoveries), of which \$96,158.20 (plus HST) or \$97,850.58 (net of HST recoveries) is payable as gross rent, and \$11,240.00 (plus HST) or \$11,437.82 (net of HST recoveries) as estimated utilities costs. If the option to extend for the next term of Council is exercised, the total cost to the City of Toronto over the initial term and the four (4) year extension will be approximately \$244,990.20 (plus HST) or \$249,302.03 (net of HST recoveries), using the current rates as estimates.

Funding is available in the 2019 Council Approved Operating Budget for City Council under cost centre CNY001-661000000, and will be included in future Operating Budget submissions for Council consideration.

Additional funding of approximately \$7,675.00 annually, for the portion of rent exceeding the established budget cap for office rent (the cap for Ward 1 is \$26,723.00 annually), is available from Councillor Ford's office budget, under cost centre CNX001.

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

**Comments**  
 At its meeting on July 11, 12 and 13, 2012, City Council adopted and amended report EX21.9 "Policy Changes to Councillor Office Operations". In doing so, Council directed that the provision of a constituency office within a civic centre (including City Hall) or within the Councillor's respective ward be funded from the General Council Account and further that staff develop appropriate parameter for these spaces.

At its meeting on October 30, 31, and November 1, 2012, City Council adopted Recommendation 1 of report CC27.5 "Parameters for Councillor Constituency Offices" and approved the proposed parameters.

The proposed Agreement enables Councillor Michael Ford to establish a constituency office in his Ward. The rent and other terms and conditions of the Agreement reflect current market value according to market research and valuation conducted by Real Estate Services.

**Terms**  
 Please see Appendix "A" on page 4.

<b>Property Details</b>	<b>Ward:</b>	1 - Etobicoke North
	<b>Assessment Roll No.:</b>	19 19 042 700 001 00
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	98.66m <sup>2</sup> ± (1,062 ft <sup>2</sup> ±)
	<b>Other Information:</b>	

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/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 &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 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 &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 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>

**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, Transaction Services 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, Corporate Services and any related documents.

Consultation with Councillor(s)									
Councillor:	Michael Ford				Councillor:				
Contact Name:	Trent Jennett				Contact Name:				
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other		
Comments:	No concerns (08/09/2019)				Comments:				
Consultation with Divisions and/or Agencies									
Division:	City Clerks				Division:	Financial Planning			
Contact Name:	Grace Young				Contact Name:	Filisha Jenkins			
Comments:	No concerns (08/14/2019)				Comments:	No concerns (08/14/2019)			
Legal Division Contact									
Contact Name:	Gloria Lee								

DAF Tracking No.: 2019- 208	Date	Signature
Concurred with by: Manager, Real Estate Services		
<input checked="" type="checkbox"/> Recommended by: Acting Manager, Real Estate Services, Daran Somas	August 19, 2019	Signed by Daran Somas
<input checked="" type="checkbox"/> Approved by: Acting Director, Real Estate Services, Nick Simos	August 20, 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, 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").

**Appendix "A"**  
**Major Terms and Conditions**

**Landlord:**

Kipling Plaza Limited

**Tenant:**

City of Toronto

**Property:**

Unit 11 &amp; 12, 2141 Kipling Avenue, Toronto, ON

**Area of Leased Premises:**

1,062 square feet

**Term:**

3 years, 1 month, and 14 days

**Commencement Date:**

October 1, 2019

**Gross Rent:**

	<b>Per sq ft</b>	<b>Monthly</b>	<b>Annual</b>
Minimum Rent	\$ 15.00	\$ 1,327.50	\$ 15,930.00
TMI	\$ 14.00	\$ 1,239.00	\$ 14,868.00
Estimated Utilities	\$ 3.39	\$ 300.00	\$ 3,600.00
<b>TOTAL</b>	<b>\$ 32.39</b>	<b>\$ 2,866.50</b>	<b>\$ 34,398.00</b>

**Extension Option:**

The Tenant shall have the option to extend this Lease for an extension period equivalent to the next term of City of Toronto Council (the "Extended Term"), which shall be conditional on Councillor Michael Ford being re-elected, on the same terms and condition as this lease, save and except for the Minimum Rent which shall be at the then fair market rental value for similar leases with comparable terms.

**Use:**

A constituency office or for general office uses

**Insurance:**

Legal liability insurance for bodily injury or death or property damage resulting from each occurrence in the amount of not less than Three Million (\$3,000,000.00) Dollars.

**Early Termination:**

The Lease shall terminate, if for any reason, Councillor Michael Ford's term as a Member of the City Council should end.

**Municipal Capital Facilities Agreement:**

The Landlord acknowledges that the Tenant has the right, in its discretion, to request City of Toronto Council to exempt the Property from taxation for municipal and school purposes if the Tenant considers that the Premises may be used as a municipal capital facility.

**Appendix "B"**

**Location Map and Plans of Leased Premises**



