

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

TRACKING NO.: 2019-256

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:	Larry Hughsam / Patricia Chen	Division:	Toronto Public Library / Real Estate Services
Date Prepared:	September 24 th , 2019	Phone No.:	416-397-5946 / 416-338-3583

Purpose	To obtain authority to enter into an assignment of lease and lease extension and amending agreement with bclMC Realty Corporation, as Landlord, whereby the lease with the Landlord will be extended by one (1) year and will be assigned to the City of Toronto, as Tenant, for approximately 6,333 square feet of rentable space at Bayview Village Shopping Centre, Unit 123A, 2901 Bayview Avenue, Toronto. The lease extension will commence on February 1, 2020 and end on January 31, 2021.
Property	Bayview Village Shopping Centre, 2901 Bayview Avenue, Unit 123A.
Actions	<ol style="list-style-type: none"> Authority be granted to assign the lease with bclMC Realty Corporation from the Toronto Public Library Board, as tenant, to the City of Toronto as tenant, and to extend the term of the lease by one (1) year, as Tenant, for approximately 6,333 square feet of rentable space at Bayview Village Shopping Centre, Unit 123A, 2901 Bayview Avenue, Toronto (the "Premises"), substantially on the terms and conditions outlined herein, and any such other terms and conditions deemed appropriate by the Director of Real Estate Services, and in a form acceptable to the City Solicitor; The Deputy City Manager, Corporate Services ("DCM") or her designate, administer and manage the Lease including the provision of any consents, approvals, waivers, notices and notices of termination provided that the DCM may, at any time, refer consideration of such matters to the City Librarian for determination and direction; and, The appropriate City and Toronto Public Library Board staff be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>The total cost to the City for the one (1) year term inclusive of basic rent and additional rent will be \$400,523.24 (net of HST recoveries) for 6,333 square feet, with basic rent being \$42.50 per square foot and operating costs being estimated at \$19.65 per square foot. On an annual basis, the Landlord will provide the Tenant with a breakdown of the actual operating costs and will make a rent reduction or additional charge based on the actual costs. The proposed rent represents no increase from the current rate being paid. Realty tax is not included as there is already a Municipal Capital Facilities (MCF) status in place.</p> <p>Toronto Public Library Board ("TPLB") will be responsible for utilities for the unit, to be included in the total lease cost. Funding is available in the 2019 Council Approved Operating Budget for Toronto Public Library, and will be included in the 2020 Operating Budget submission for Council consideration.</p> <p>The Chief Financial Officer & Treasurer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>Bayview branch is located within the Bayview Village Shopping Centre, Unit 123A, at 2901 Bayview Ave, North York. The current lease runs from February 1, 2019 to January 31, 2020.</p> <p>The population in the area has expanded due to development along the Sheppard subway and the branch currently serves a population of approx. 50,000. Future development plans will result in continued population growth. While Bayview branch provides a full range of neighbourhood library services, the branch is limited in its ability to meet the growing demand for services in the current location. For this undersized branch, there is no program room and branch space is at a premium at this busy location. TPLB's approved capital plan includes a project to relocate the branch from the mall onto City land by the Bessarion subway stop. The project budget of \$15.2 million is for the construction of a larger 13,418 square foot library in a City joint-use facility with a daycare and a Parks Forestry and Recreation aquatics and recreation centre. It is anticipated that construction of the new branch will be completed in spring/summer 2022.</p> <p align="right">Continued on page 4</p>
Terms	Please see page 4 for Major Terms and Conditions

Property Details	Ward:	17 – Don Valley North
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	1930 m ² ± (6,333 ft ² ±)
	Other Information:	

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
2. Expropriations:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.
3. Issuance of RFPs/REOs:	Delegated to a more senior position.	<input type="checkbox"/> Issuance of RFPs/REOs.
4. Permanent Highway Closures:	Delegated to a more senior position.	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.
5. Transfer of Operational Management to Divisions and Agencies:	Delegated to a more senior position.	Delegated to a more senior position.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	Delegated to a more senior position.	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.
9. Leases/Licences (City as Landlord/Licensor):	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$1 Million.
	<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.	<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.
	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.	<input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million.
	Delegated to a more senior position.	<input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
13. Revisions to Council Decisions in Real Estate Matters:	Delegated to a more senior position.	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).
14. Miscellaneous:	Delegated to a more senior position.	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences <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/Caution <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. 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:	Councillor Shelley Carroll					Councillor:									
Contact Name:	Tom Gleason					Contact Name:									
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other	Contacted by:	Phone		E-mail		Memo		Other
Comments:	No objection – September 9 th , 2019					Comments:									
Consultation with Divisions and/or Agencies															
Division:	Toronto Public Library					Division:	Financial Planning								
Contact Name:	Larry Hughsam					Contact Name:	Filisha Jenkins								
Comments:	No objection – June 4 th , 2019					Comments:	No objection – September 17 th , 2019								
Legal Division Contact															
Contact Name:	Michele Desimone														

DAF Tracking No.: 2019-256	Date	Signature
Concurred with by: Manager, Real Estate Services		
<input checked="" type="checkbox"/> Recommended by: Supervisor, Real Estate Services Van Hua	Sept. 24, 2019	Signed by Van Hua
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Acting Director, Real Estate Services Nick Simos	Sept. 25, 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 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").

Comments (continued)

This one-year lease extension to January 2021 provides a partial bridge to the end of the construction of the new branch. TPLB staff will continue to negotiate with the landlord for a further lease extension to allow the branch to remain in the mall until the construction is complete at the Bessarion site. During this period, there is a possibility that TPLB may be required to relocate within the mall to accommodate their development plans. Section 4 of the lease extension provides for the opportunity to enter into discussions regarding a pop-up (temporary) space, which consists of a portion of Unit 125 (the former LCBO store) in the Shopping Centre, should the landlord require the branch to be relocated within the mall. The terms and conditions of this lease shall be agreed upon no later than January 31, 2020. A further DAF will be completed once the additional extension is negotiated.

Major Terms & Conditions

Premises:

Approximately 6,333 square feet of rentable space in the Bayview Village Shopping Centre, Unit 123A at 2901 Bayview Avenue.

Landlord:

bclMC Realty Corporation

Term:

One (1) year, commencing on February 1, 2020 and ending on January 31, 2021.

Use:

Neighbourhood library branch, operated by the Toronto Public Library.

Rent/Fee:

Base rent of \$42.50 per sq.ft. or \$269,152.50 per year, plus applicable taxes, equivalent to \$22,429.38 per month. This represents no increase to the rent currently being paid.

Additional Rent:

Tenant pays for its own utilities and a proportionate share of certain common costs, estimated at \$19.65 per sq. ft., or \$124,443.45 per year or \$10,370.29 per month.

Fiscal Year	2020	2021
Base Rent (Before HST)	246,723	22,429
Additional Rent (Before HST)	96,657	8,787
Utilities (Before HST)	17,416	1,583
Subtotal	360,796	32,800
Total Net of HST Recovery	367,146	33,377

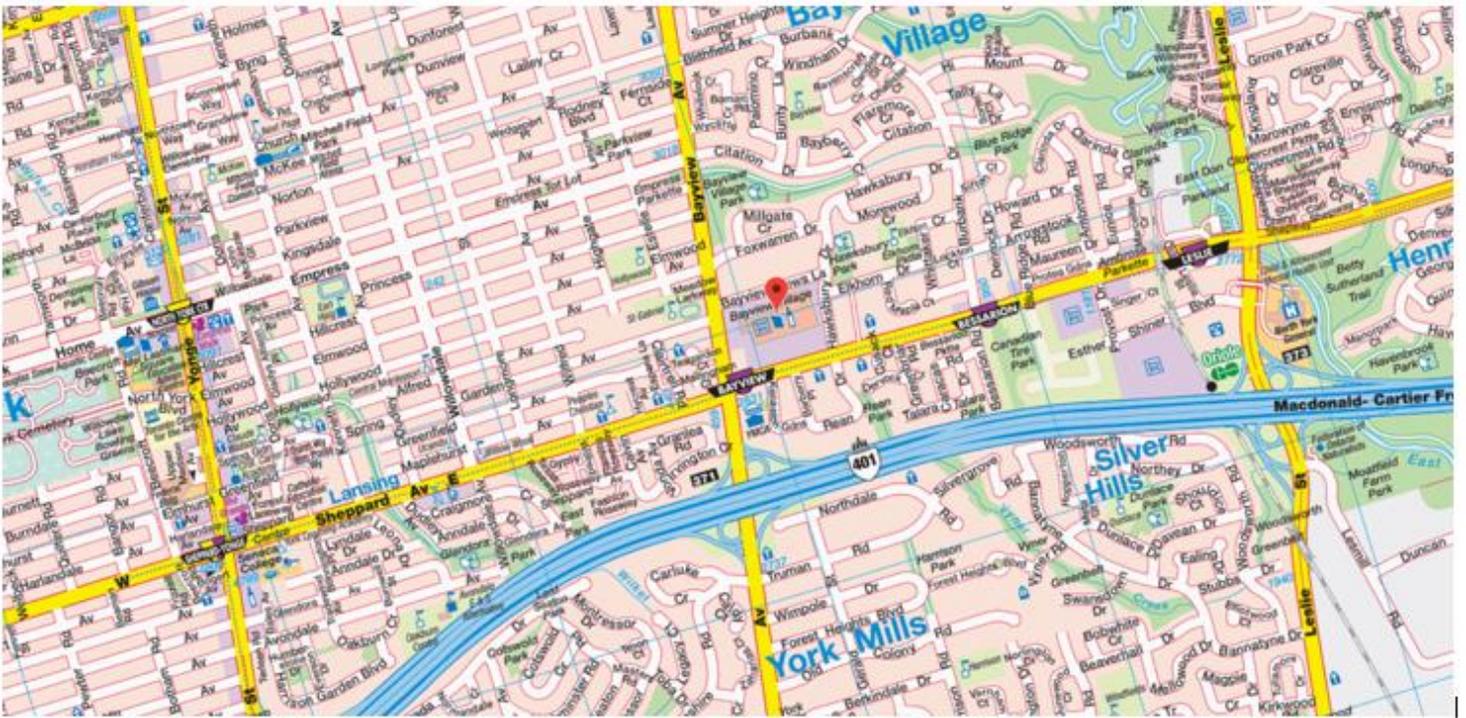
Insurance:

The Tenant shall have the following:

- 1.) CGL limit per occurrence of \$5,000,000
- 2.) All risks property insurance
- 3.) Boiler and machinery insurance
- 4.) Designation of QuadReal Property Group as additional insured

Capital Repair:

Not applicable



SKETCH OF TENANCY
UNIT 123A
BAYVIEW VILLAGE SHOPPING CENTRE

2901 BAYVIEW AVENUE
WILLOWDALE
SCALE 1" = 20'

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