

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

TRACKING NO.: 2019-277

Approved pursuant to the Delegated Authority contained in Executive Committee Item EX27.12, as adopted by City Council on October 2, 3 and 4, 2017 or, where applicable, in Executive Committee Item EX28.8, as adopted by City Council on November 7, 8 and 9, 2017.

Prepared By:	Desirée Picchiello/Larry Hughsam	Division:	Real Estate Services/Toronto Public Library
Date Prepared:	September 27 2019	Phone No.:	416-338-2998/416-397-5946

Purpose	To obtain authority to extend the lease with the Toronto Public Library Board, as Landlord, and Stevens Burgess Architects Ltd., as Tenant, for approximately 3,038 square feet of rentable space at Deer Park Library, 40 St. Clair Avenue East, Suites 301 and B4, Toronto starting December 1, 2019 for a term of 36 months.
Property	40 St. Clair Avenue East, Suites 301 and B4, Toronto ON, M4T 1M9
Actions	<ol style="list-style-type: none"> 1. Authority be granted to extend the lease with the Toronto Public Library Board, as Landlord, and Stevens Burgess Architects Ltd., as Tenant, for approximately 3,038 square feet of rentable space at Deer Park Library, 40 St. Clair Avenue East, 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; 2. The City Librarian, or her designate, administer and manage the Lease including the provision of any consents, approvals, waivers, notices and notices of termination provided that the City Librarian may, at any time, refer consideration of such matters to Director of Real Estate Services for determination and direction; 3. The appropriate Library and City Officials be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>Total revenue to the City for the thirty-six (36) month term of the lease agreement, inclusive of base rent, additional rent, and parking, will be \$397,542.00 (plus HST) for both Suites 301 and B4, for a total of 3,038 square feet.</p> <p>For Suite 301, base rent is \$19.50 per square foot for 2,854 square feet, plus applicable taxes. Additional rent is \$23.50 per square foot, plus applicable taxes, subject to adjustments at the end of each fiscal year to reflect actual costs. Parking is \$180 per space per month, plus applicable taxes. Three parking spaces are required by the Tenant.</p> <p>For storage unit Suite B4, gross rent is \$18.00 per square feet for 184 square feet, plus applicable taxes.</p> <p>The Chief Financial Officer & Treasurer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	Stevens Burgess Architects Ltd. has been a tenant at Deer Park branch since 1987. The space is surplus to the Library's needs.
Terms	Refer to page 4 for details.

Property Details	Ward:	12 – Toronto-St. Paul's
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	926 m ² ± (3,038 ft ² ±)
	Other Information:	

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/REOs:</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: N/A</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/REOs.</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>
<p>B. Director, Real Estate Services and Manager, Real Estate Services each has signing authority on behalf of the City for:</p>		
<ul style="list-style-type: none"> • 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). 		
<p>Director, Real Estate Services also has signing authority on behalf of the City for:</p>		
<ul style="list-style-type: none"> • 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:	Josh Matlow				Councillor:										
Contact Name:	Josh Matlow				Contact Name:										
Contacted by:	Phone	X	E-Mail		Memo	X	Other	Contacted by:	Phone		E-mail		Memo		Other
Comments:	No objections 09/20/2019				Comments:										
Consultation with Divisions and/or Agencies															
Division:	Toronto Public Library				Division:	Filisha Jenkins									
Contact Name:	Larry Hughsam				Contact Name:	Financial Planning									
Comments:	August 26 2019				Comments:	No objections 09/23/2019									
Legal Division Contact															
Contact Name:	Michele Desimone														

DAF Tracking No.: 2019-277	Date	Signature
Recommended by:		
<input checked="" type="checkbox"/> Recommended by: Supervisor, Real Estate Services Van Hua	Sept. 27, 2019	Signed by Van Hua
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Nick Simos	October 1, 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.

Major Terms & Conditions

Premises:

Approximately 2,854 square feet of rentable space for Suite 301 and 184 square feet of rentable space for Suite B4, located at 40 St. Clair Avenue East, Toronto ON, M4T 1M9

Tenant:

Stevens Burgess Architects Ltd.

Term:

Thirty-six months, commencing on December 1, 2019 and ending on November 30, 2022.

Base Rent:

Base rent for Suite 301 is \$19.50 per sq. ft. or \$55,653.00 per year, plus applicable taxes, equivalent to \$4,637.75 per month.

Additional Rent:

Additional rent for Suite 301 is estimated to be \$23.50 per sq. ft., plus applicable taxes, subject to adjustments each year to reflect actual costs.

Gross Rent:

Gross rent for Suite B4 is \$18.00 per sq. ft. or \$3,312.00 per year, plus applicable taxes, equivalent to \$276.00 per month.

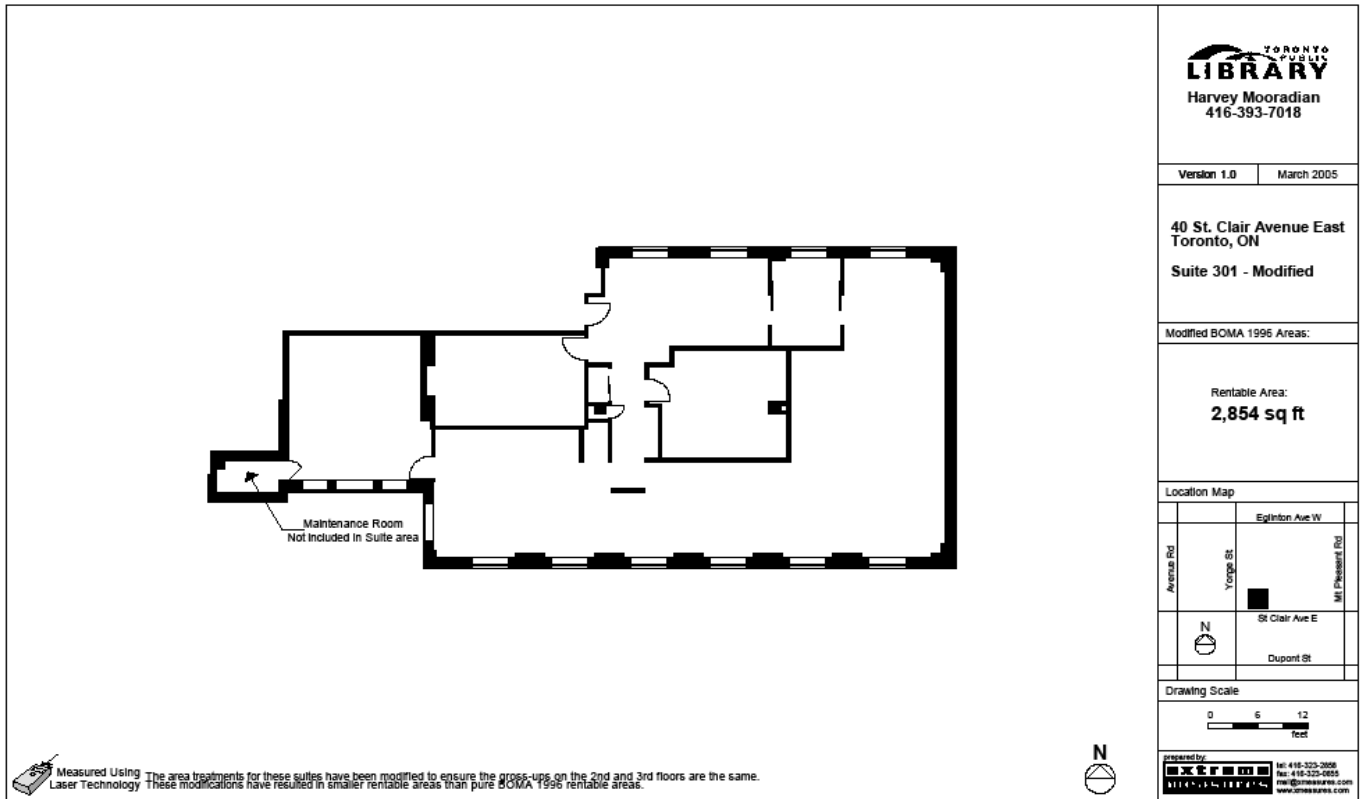
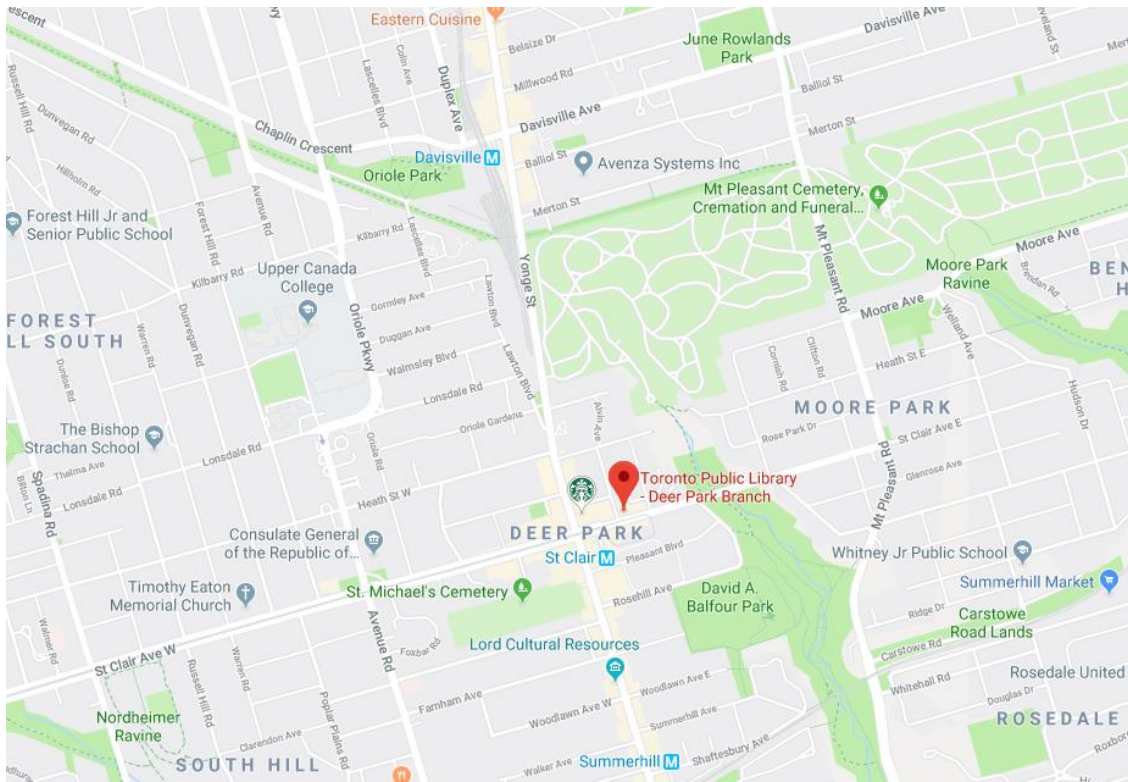
Parking:

Parking is \$180 per space per month, plus applicable taxes. The tenant requires three spaces.

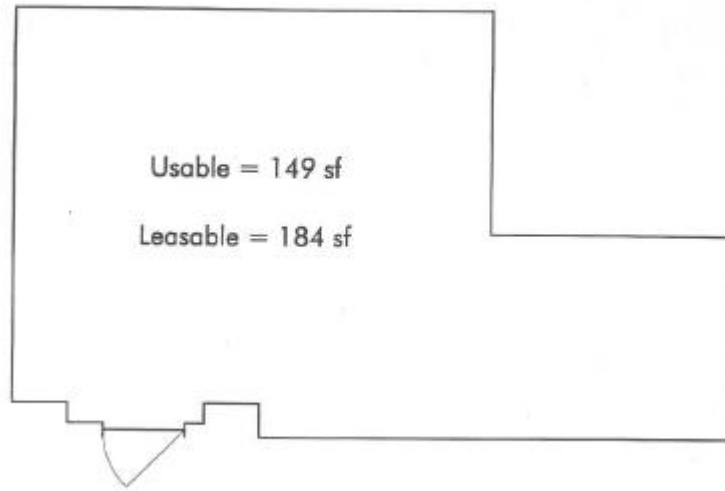
	Sq. ft.	Base Rate (\$)	Additional Rent Rate (\$)	Annual Base Rent	Annual Additional Rent	Annual Parking	Annual Total	2019 Impact (1 month)	2020 Impact (12 months)	2021 Impact (12 months)	2022 Impact (11 months)	Total Impact for 3-Year Term
Proposed lease	2,854	19.50	23.50	55,653.00	67,069.00	6,480.00	129,202.00	10,766.83	129,202.00	129,202.00	118,435.17	387,606.00
	184	18.00	-	3,312.00	-	-	3,312.00	276.00	3,312.00	3,312.00	3,036.00	9,936.00
Total				58,965.00	67,069.00	6,480.00	132,514.00	11,042.83	132,514.00	132,514.00	121,471.17	397,542.00
Current term	2,854	18.00	22.50	51,372.00	64,215.00	6,120.00	121,707.00	10,142.25	121,707.00	121,707.00	111,564.75	365,121.00
	184	15.00	-	2,760.00	-	-	2,760.00	230.00	2,760.00	2,760.00	2,530.00	8,280.00
Total				54,132.00	64,215.00	6,120.00	124,467.00	10,372.25	124,467.00	124,467.00	114,094.75	373,401.00
Net increase				4,833.00	2,854.00	360.00	8,047.00	670.58	8,047.00	8,047.00	7,376.42	24,141.00

**all values are exclusive of HST*

Location Map



B4 (Storage room)



40 So. Clair Ave. E.