

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

**TRACKING NO.: 2019-360**

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, as adopted by City Council on May 22, 23 & 24, 2018 and Item GL9.14, as adopted by City Council on November 26 & 27, 2019 or, where applicable, contained in Item EX28.8, as adopted by City Council on November 7, 8 & 9, 2017.

Prepared By:	Myron Menezes	Division:	Corporate Real Estate Management
Date Prepared:	December 24, 2019	Phone No.:	416-338-3586

<b>Purpose</b>	To obtain authority to enter into a lease agreement with May Stone Investments Inc. (the "Landlord") for approximately 1,256 square feet of space at 4630 Kingston Road, Toronto commencing on January 1, 2020 and expiring on November 30, 2022 for the use of a constituency office for Councillor Jennifer McKelvie (the "Agreement").
<b>Property</b>	4630 Kingston Road, Suite 20, Toronto, Ontario
<b>Actions</b>	1. Authority be granted to enter into the Agreement with the Landlord substantially on the terms and conditions herein, and such other terms and conditions deemed appropriate by the Director, Real Estate Services or his/her designate, and in a form acceptable to the City Solicitor.
<b>Financial Impact</b>	The total estimated cost to the City for the lease agreement term of two (2) years and eleven (11) months, commencing January 1, 2020 and ending November 30, 2022, is approximately \$70,855.27 (plus HST) or \$72,102.32 (net of HST recoveries). If the option to extend for the next term of Council is exercised, the cost to the City over the four (4) year extension will be determined on the current market value at that time.  Funding is included in the 2020 Staff Recommended Operating Budget for City Council (under cost center CNX025-661000000) for council consideration through the 2020 Budget process, and will be included in future year Operating Budget submissions for Council consideration.
<b>Comments</b>	The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.  At its meeting on July 11, 12 and 13, 2012, City Council adopted and amended report EX21.9 "Policy Changes to Councilor Officer Operations" and in doing so, Council directed that the provision of a constituency office, within a civic centre (including City Hall) or within the Councilors' respective ward, be funded from the General Council Account, and further, that staff develop appropriate parameter for these spaces.  The Agreement authorizes Councillor Jennifer McKelvie to have a constituency office in her ward in the subject location.  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 staff.
<b>Terms</b>	<i>Please see Page 4</i>

<b>Property Details</b>	<b>Ward:</b>	25 – Scarborough-Rouge Park
	<b>Assessment Roll No.:</b>	N/A
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	116.69 m <sup>2</sup> (1,256 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:
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/REOIs:	<b>Delegated to more senior positions.</b>	<input type="checkbox"/> Issuance of RFPs/REOIs.
4. Permanent Highway Closures:	<b>Delegated to more senior positions.</b>	<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:	<b>Delegated to more senior positions.</b>	<b>Delegated to more senior positions.</b>
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:	<b>Delegated to more senior positions.</b>	<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.
	<b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b>	<b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b>
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.
	<b>Delegated to more senior positions.</b>	<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:	<b>Delegated to more senior positions.</b>	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).
14. Miscellaneous:	<b>Delegated to more senior positions.</b>	<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 the Deputy City Manager, Corporate Services and any related documents.

Consultation with Councillor(s)									
Councillor:	Jennifer McKelvie					Councillor:			
Contact Name:	John Sinclair					Contact Name:			
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other		
Comments:	No objections – December 24, 2019					Comments:			
Consultation with Divisions and/or Agencies									
Division:	City Clerk					Division:	Financial Planning		
Contact Name:	Lesley Ruscica/Lindsay Drake					Contact Name:	Filisha Jenkins/Peter Park		
Comments:	No objections - December 20, 2019					Comments:	No Objections - December 24, 2019		
Legal Division Contact									
Contact Name:	Emily NG								

DAF Tracking No.: 2019-360	Date	Signature
Concurred with by: Manager, Real Estate Services <b>Daran Somas</b>		X
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services <b>Daran Somas</b>	<b>Dec. 24, 2019</b>	Signed by Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Acting Director, Real Estate Services <b>Nick Simos</b>	<b>Dec. 24, 2019</b>	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 market value and no interest shall be granted for an amount less than the appraised market value, nor additional compensation paid, unless specifically authorized by City Council.
- (f) Authority to approve any transaction 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").

**Major Terms:**

1. Term: Two (2) years and eleven (11) months commencing January 1, 2020 and ending November 30, 2022
2. Basic Rent:
  - Year 1: \$11,517.52/year (\$959.79/month)
  - Year 2: \$12,145.52/year (\$1,012.13/month)
  - Year 3 (only 11 months): \$11,674.52/year (\$1,061.32/month)
3. Operating Costs:
  - Year 1: Estimated at \$6.75 per square foot per annum for 2020 (includes cost of utilities, maintenance, insurance. Property taxes included for the first 3 months in order to give the required time for the MCF agreement to be ratified and the premises to be tax exempted)
  - Year 2: Estimated at \$5.89 per square foot per annum for 2021 (includes cost of utilities, maintenance, insurance. Property taxes are not included because the premises is expected to be tax exempt for this year)
  - Year 3: Estimated at \$6.11 per square foot per annum for 2022 (includes cost of utilities, maintenance, insurance. Property taxes are not included because the premises is expected to be tax exempt for this year)
4. Option to Extend: An extension term that is equivalent to the next term of City of Toronto Council provided Councillor Jennifer McKelvie is re-elected as a member of City of Toronto Council. Same terms and conditions save and except for the rent which shall be negotiated.
5. Early Termination: The City shall have the option to terminate the Lease automatically if Councillor Jennifer McKelvie's term ends or she is no longer a member of City of Toronto Council. Additional right of early termination in favour of the City of Toronto to terminate the lease, or any extension of it, as long as 3 months written notice is provided to the landlord.
6. Tenant's Insurance: General Liability – \$2M per occurrence

**Location Map**

