

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

TRACKING NO.: 2019-266

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:	Glenn Zeta	Division:	Corporate Real Estate Management
Date Prepared:	September 12, 2019	Phone No.:	416-338-7612

Purpose
 To obtain authority to enter into a lease extension and amendment agreement (the "Agreement") with Tae-Woo Lee & Kyung-Seon Hong as tenant ("Tenant") and the City of Toronto as landlord ("Landlord") for the 120 square feet of space at 60 Queen Street West ("Old City Hall") for the continued concession use for the occupants of the Provincial and Municipal Courts.

Property
 60 Queen Street West (Old City Hall) – as per sketch (see page 6)

- Actions**
1. Authority be granted to enter into an Agreement, substantially on the terms and conditions outlined herein, and any other such terms and conditions deemed appropriate by the Director, Real Estate Services ("Director") in a form acceptable to the City Solicitor.
 2. The Director, or his designate, administer and manage the Agreement including the provision of any consents, amendments, approvals, waivers, notices and notices of termination, provided that the Director may, at any time, refer consideration of such matters to City Council for determination and direction;
 3. The appropriate City staff be authorized and directed to take the necessary action to give effect thereto.

Financial Impact
 The total estimated revenue of this Agreement is approximately \$57,771.00 (plus HST) over the entire 27 month term. The Chief Financial Officer & Treasurer has reviewed this DAF and agrees with the financial impact information.

Comments
 The original lease dealing with concession space use at Old City Hall was originally entered into with 1256688 Ontario Inc. (o/a Coffee Court) as tenant. The lease commenced September 1, 1997 to September 30, 1999. A lease renewal agreement dated January 1, 2000 followed, commencing October 1, 1999 and ending September 30, 2001. Beginning October 1, 2001, the lease went into overhold status until February 29, 2012. By a lease extension agreement dated April 25, 2012 the parties agreed to extend the lease for a further 2 years commencing March 1, 2012 to February 28, 2014. By a lease extension agreement dated March 1, 2014 the parties agreed to extend the lease for a further 2 years commencing March 1, 2014 to February 28, 2016. Effective November 1, 2017, the Lease was assigned to 2437818 Ontario Inc. and extended for a further term of four (4) months commencing on November 1, 2017 and expiring on February 28, 2018. The City consented to this assignment. The lease is currently in overhold status to September 30, 2019.

Terms
 This Agreement will extend the term for a period of twenty seven (27) months commencing on October 1, 2019 and expiring on December 31, 2021. Food service in the building is required throughout the term of the Ontario Courts tenancy which is expected to end sometime near the end of year 2021 or early in year 2022. Moreover, due to security measures, access to outside food services is not an easy option. Tao-Woo Lee & Kyung Seon Hong's financial and credit history are in good standing.

Terms
 Real Estate Services has reviewed this information and the new proposed rents are fair and at fair market value. Refer to Page 4 for Major Terms and Conditions outlined in Schedule "A"

Property Details	Ward:	13 - Toronto Centre
	Assessment Roll No.:	
	Approximate Size:	120 Sq. Ft.
	Approximate Area:	
	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/Licensors):	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.	<input checked="" 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 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:	Kristyn Wong-Tam					Councillor:				
Contact Name:	Lorraine Hewitt					Contact Name:				
Contacted by:	<input checked="" type="checkbox"/> Phone	<input checked="" type="checkbox"/> E-Mail	<input type="checkbox"/> Memo	<input type="checkbox"/> Other		Contacted by:	<input type="checkbox"/> Phone	<input type="checkbox"/> E-mail	<input type="checkbox"/> Memo	<input type="checkbox"/> Other
Comments:	No Objections - September 16, 2019					Comments:				
Consultation with Divisions and/or Agencies										
Division:	Corporate Real Estate Management					Division:	Financial Planning			
Contact Name:	Jennifer Tharpe					Contact Name:	Filisha Jenkins			
Comments:	Concurred - August 28, 2019					Comments:	Concurred - August 28, 2019			
Legal Division Contact										
Contact Name:	Maria Vlahos									

DAF Tracking No.: 2019- 266	Date	Signature
Concurred with by: Manager, Real Estate Services		
<input type="checkbox"/> Recommended by: Manager, Real Estate Services <input type="checkbox"/> Approved by: Daran Somas	Sept. 18, 2019	Signed by Daran Somas
<input type="checkbox"/> Approved by: Acting Director, Real Estate Services Nick Simos	Sept. 18, 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").

Appendix "A"
Major Terms and Conditions

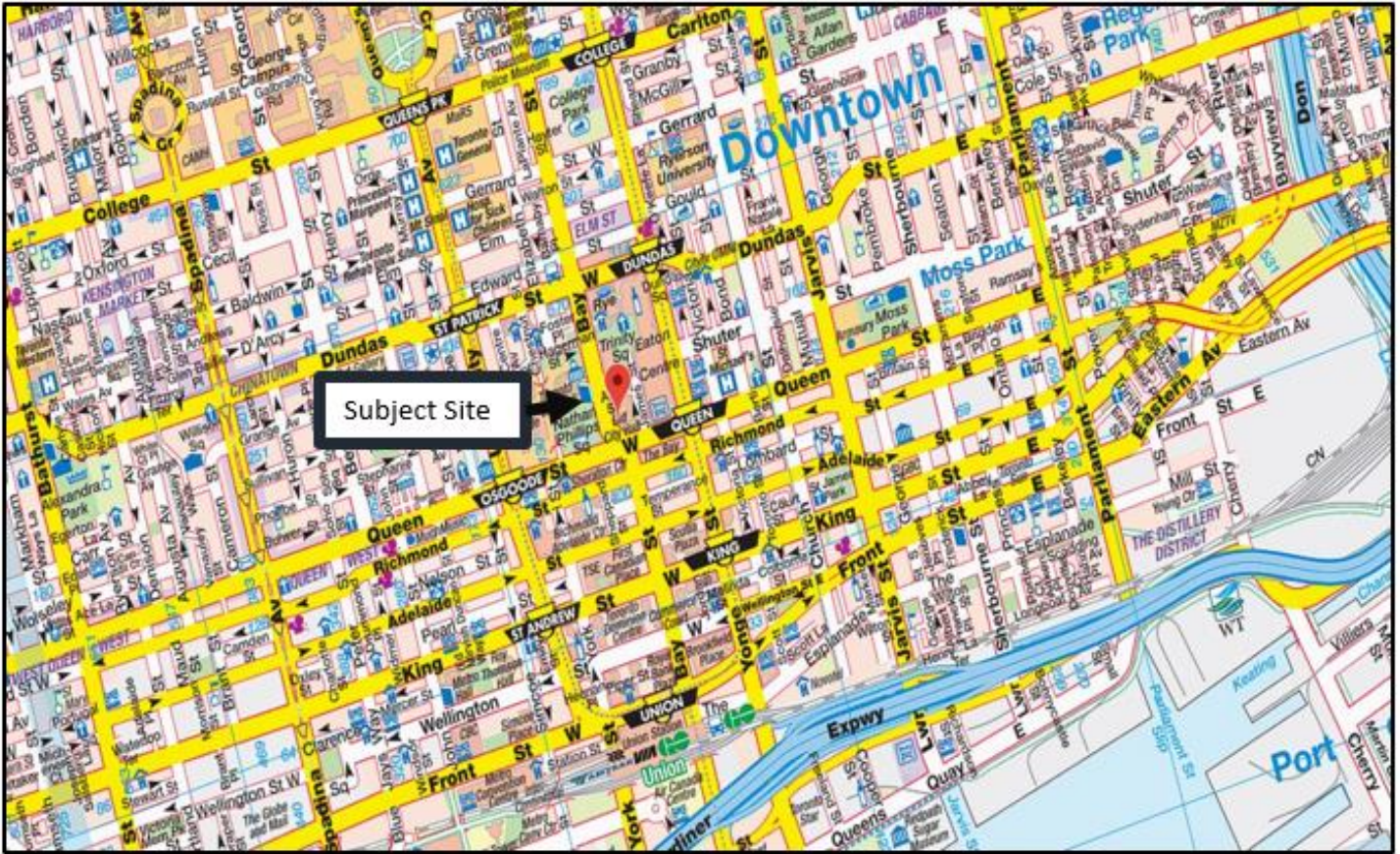
Tenant: Tae-Woo Lee & Kyung Seon Hong

Landlord: City of Toronto

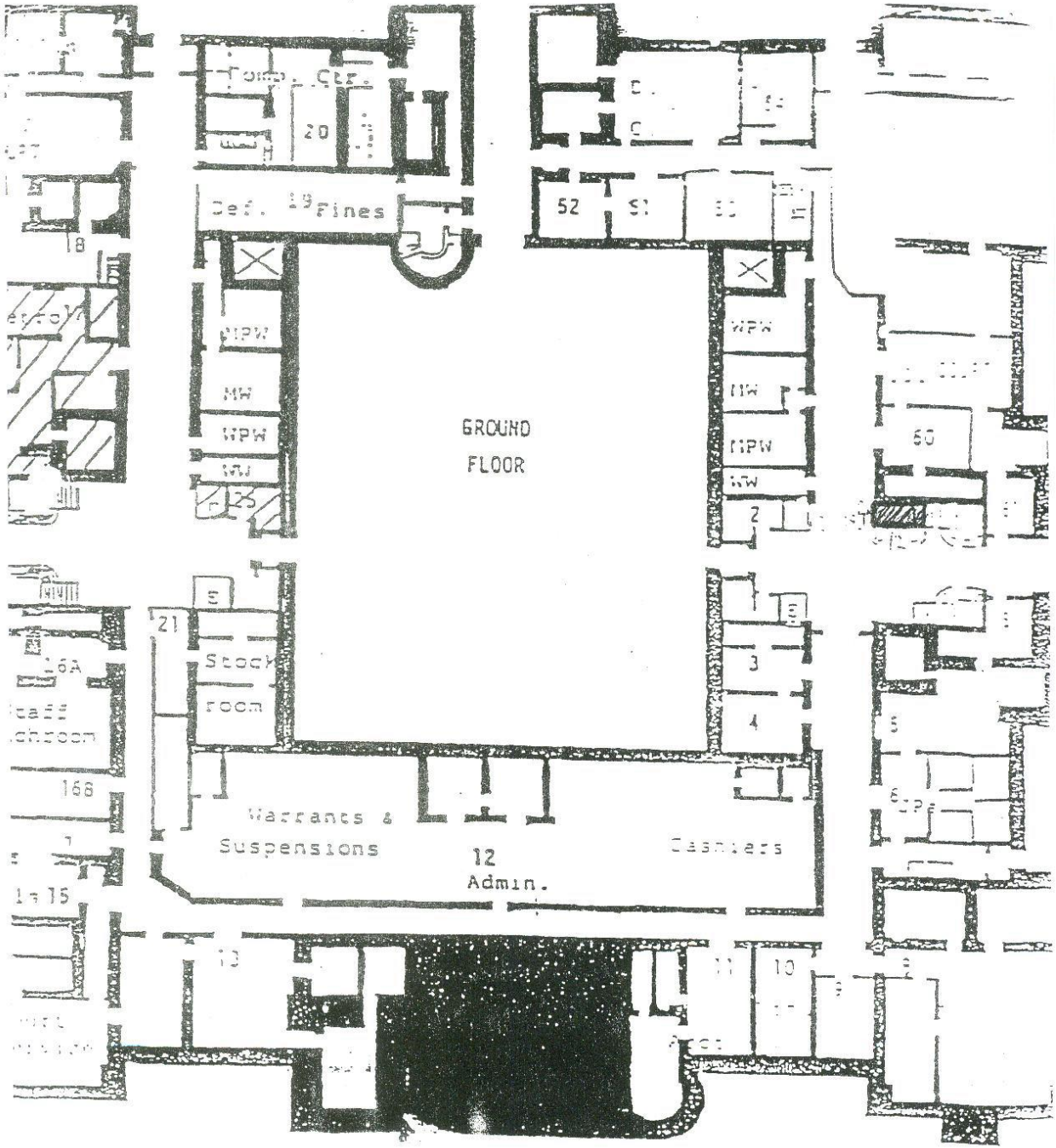
Property: 60 Queen Street West, Toronto, ON (Old City Hall)

Term: commencing on October 1, 2019 and ending on December 31, 2021 (27 months)

Basic Rent: The Tenant shall pay the City a total of Fifty Seven Thousand Seven Hundred Seventy One Dollars (\$57,771) plus HST for the duration of term, payable in advance monthly installments of Two Thousand One Hundred Thirty One Dollars and Fifty Cents (\$2,131.50) on the first day of every month during the first six months of the term, commencing on October 1, 2019 and then increasing to Two Thousand One Hundred Forty Two Dollars (\$2,142.00) for the remainder of the term.



SCHEDULE A



Leased Premises

GROUND FLOOR