

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

TRACKING NO.: 2020-021

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:	Darcy Watt & Glenn Zeta	Division:	TPA/Corporate Real Estate Management
Date Prepared:	January 21, 2020	Phone No.:	416-338-7612

Purpose	To obtain authority to enter into a lease extension agreement (the "Extension Agreement") between Toronto Parking Authority ("TPA") and Dakin West Inc. (the "Tenant") to extend for a further five (5) year term the lease entered into between TPA and the Tenant on February 1, 1995, as extended on May 17, 2004, October 2009, and March 1, 2015, respectively (collectively referred to herein as the "Lease") for the lands and premises known municipally as Unit 2, 33 Queen Street East, Toronto, Ontario which location is shown on the map attached hereto as Appendix "B", also known as Carpark 33, and more particularly shown in red outlined in the sketch attached hereto as Appendix "C" (the "Leased Premises").
Property	Unit 2, being approximately 496 square feet of commercial space on the ground floor located on the lands and premises known municipally at 33 Queen Street East, and outlined in red in the sketch attached hereto as Appendix "C".
Actions	<ol style="list-style-type: none"> 1. Authority be granted for TPA to enter into the Extension Agreement with the Tenant to extend the Term of the Lease, on the terms and conditions outlined herein and in a form acceptable to the City Solicitor. 2. The appropriate City of Toronto ("City") and TPA staff be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>Total revenue to the City for the five (5) year lease extension agreement is \$145,080.00 (plus HST) for minimum rent. The property taxes, operating and maintenance costs associated with the leased premises during the extended term will be paid by the tenant according to the terms of the lease. Details of annual revenue to the City, exclusive of HST, can be found in Appendix "A" attached hereto.</p> <p>Actual expenses and revenues associated with the lease, as extended by the extension agreement, will be reported through TPA's quarterly variance reports and, if required, related budgets will be subsequently adjusted through the annual Budget process.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	On March 14, 2019, Dakin West Inc. reached out to the TPA to exercise a five (5) year extension right at this location as outlined in the Lease Amending and Extending Agreement dated March 1, 2015. The Extension Agreement will be the fourth extension agreement entered into between TPA and the Tenant for this location.
Terms	See Appendix "A" for Major Terms and Conditions.

Property Details	Ward:	13 – Toronto Centre
	Assessment Roll No.:	1904-06-4-658-000300
	Approximate Size:	
	Approximate Area:	46.08 m ² ± (496 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/REOIs:	Delegated to more senior positions.	<input type="checkbox"/> Issuance of RFPs/REOIs.
4. Permanent Highway Closures:	Delegated to more senior positions.	<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 more senior positions.	Delegated to more senior positions.
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 more senior positions.	<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"/> (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"/> (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 six (6) months, including licences for environmental assessments and/or testing, etc.
10. Leases/Licences (City as Tenant/Licensee):	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.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000. <input type="checkbox"/> Where total compensation does not exceed \$50,000. Delegated to more senior positions.	<input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million. <input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million. <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 more senior positions.	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).
14. Miscellaneous:	Delegated to more senior positions.	<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:	Councillor Kristyn Wong-Tam					Councillor:				
Contact Name:	Edward LaRusic					Contact Name:				
Contacted by:	Phone	x	E-Mail	Memo	Other	Contacted by:	Phone	E-mail	Memo	Other
Comments:	No Objections - January 15, 2020					Comments:				
Consultation with Divisions and/or Agencies										
Division:	Financial Planning					Division:	Toronto Parking Authority			
Contact Name:	Filisha Jenkins					Contact Name:	Darcy Watt			
Comments:	January 21, 2020					Comments:	January 13, 2020			
Legal Division Contact										
Contact Name:	Stefan Radovanovich (2-8060)									

DAF Tracking No.: 2020- 021	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas	Jan. 22, 2020	Signed by Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Acting Director, Real Estate Services Nick Simos	Feb. 3, 2020	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 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

Landlord: Toronto Parking Authority

Tenant: Dakin West Inc.

Property: 33 Queen Street East (Municipal Carpark 26), Toronto, ON (the "Property").

Leased Area: Unit 2 of the Property, being approximately 496 square feet, and shown highlighted in red in the sketch attached hereto as Appendix "C" and depicted in the images attached hereto as Appendix "D".

Use: Convenience Store

Extended Term: Five (5) years, commencing March 1, 2020 and continuing to and including February 28, 2025 (referred to herein as the "Extended Term").

Minimum Rent:

Year 1 - \$55.50 per square foot - \$27,528.00 per annum, \$2294.00 per month

Year 2 - \$57.00 per square foot - \$28,272.00 per annum, \$2356.00 per month

Year 3 - \$58.00 per square foot - \$28,768.00 per annum, \$2397.33 per month

Year 4 - \$60.00 per square foot - \$29,760.00 per annum, \$2,480.00 per month

Year 5 - \$62.00 per square foot - \$30,752.00 per annum, \$2,562.67 per month

All amounts of Minimum Rent payable hereunder will be plus applicable taxes.

Additional Rent: The Tenant shall pay to TPA the Additional Rent in accordance with all applicable provisions of the Lease.

Option to Extend:

The Tenant shall have one (1) additional further right to extend the Term for a further five (5) years, to be exercised during the Extended Term in the same manner and subject to the terms and conditions set forth in Section 1.01 of Schedule "I" of the Lease.

Termination Rights:

The Landlord shall have the right to terminate the Lease upon giving written notice (the "Termination Notice") of such termination to the tenant as specified in Section 4.6 of the Lease Amending and Extending Agreement dated March 1, 2015.

Insurance: The Tenant shall take out and maintain, at all times during the Extended Term and any future renewal or extension of the Term of the Lease, the Tenant's insurance as is required in Article 10 of the Lease.

Other: The Extension Agreement shall be read together with the Lease and TPA and the Tenant confirm that, except as modified by the Extension Agreement, all covenants, terms and conditions of the Lease remain unchanged, unmodified and in full force and effect.

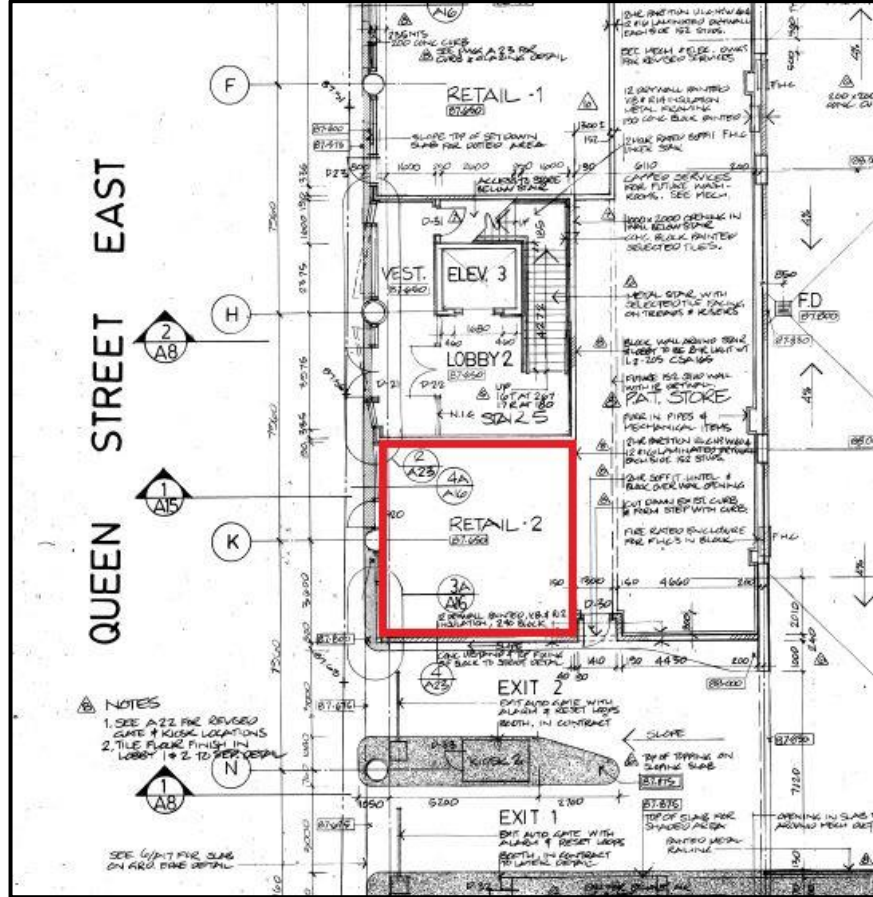
Appendix "B"

SITE LOCATION MAP



Appendix "C"

SITE PLAN



Appendix "D"

IMAGES OF 33 QUEEN STREET EAST, UNIT 2



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