

DELEGATED APPROVAL FORM
DEPUTY CITY MANAGER, CORPORATE SERVICES
EXECUTIVE DIRECTOR, CORPORATE REAL ESTATE MANAGEMENT

TRACKING NO.:2020-113

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:	April 29, 2020	Phone No.:	(416) 338-3586

Purpose	To obtain authority for the City of Toronto (the "City"), as tenant, to enter into a lease agreement (the "Lease") with Auberges De Jeunesse Du St-Laurent Inc. (the "Landlord"), for the use of the entire HI Toronto hostel located at 76 Church Street, Toronto for the purpose of a temporary shelter.
Property	The entire HI Toronto hostel located at the property municipally known as 76 Church Street, City of Toronto (the "Property") and on the Location Map in Appendix "B".
Actions	1. Authority be granted to enter into the Lease with the Landlord to lease the Property for a term of six (6) months commencing on April 30, 2020 and expiring six (6) months thereafter, substantially on the major terms and conditions set out in Appendix "A", and including such other terms and conditions as may be deemed appropriate by the approving authority herein, and in a form acceptable to the City Solicitor.
Financial Impact	<p>The following costs will be incurred by the City in connection with the Lease:</p> <ol style="list-style-type: none"> 1. Gross Rent: \$110,000.00 (plus HST) per month, or \$111,936.00 (net of HST recoveries), payable in monthly installments for six (6) months for total gross rent for the term of \$660,000.00 (plus HST), or \$671,616.00 (net of HST recoveries). 2. First Lease Extension: If the term is extended for a maximum of three (3) additional months, the total gross rent for the entire nine (9) month term will be \$1,020,000.00 (plus HST), or \$1,037,952 (net of HST recoveries). 3. Second Lease Extension: If the term is extended for another maximum term of three (3) additional months, the total gross rent for the entire twelve (12) month term will be \$1,380,000.00 (plus HST), or \$1,404,288.00 (net of HST recoveries). <p>The expenditures outlined above reflect COVID-19 related financial impacts which are being tracked and monitored corporately. The immediate and short-term impacts will be funded by leveraging and/or redirecting federal/provincial funding with longer term financial impacts anticipated to be funded from the COVID-19 recovery fund.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>As a result of the COVID-19 pandemic and the City of Toronto's state of emergency, the City is experiencing an unprecedented demand for shelter and respite services for its residents. The Property consists of all the dorm rooms and private rooms, including 190 beds in the 4 floor hostel building (in addition to a rooftop level). The Property will be used as a hostel to provide temporary accommodations for shelter clients to meet the needs of physical distancing obligations, isolation and/or recovery of shelter clients and other shelter needs. The facility will be operated by Seaton House, a service provider deemed appropriate by SSHA.</p> <p>As a component of SSHA's emergency response efforts to the COVID-19 pandemic, SSHA has received SLT approval to activate 975 open space beds to support physical distancing, isolation and recovery needs within the shelter system. This location comprises a component of such 1400 rooms.</p> <p>SSHA has approved this proposed Lease and confirmed that the terms and conditions, including the restoration terms and potential costs, are fair, reasonable and aligned with the service needs required to support the City's response efforts to the COVID-19 pandemic. Real Estate staff consider the terms and conditions of this proposed Lease to be fair and reasonable and reflective of market rates.</p>
Terms	Refer to Appendix "A" for the Terms and Conditions.

Property Details	Ward:	13 – Toronto Centre
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	Lot area: 261 m ² ± (2809 ft ² ±)
	Other Information:	Pin: 214010084

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
2. Expropriations:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.
3. Issuance of RFPs/REOs:	<input type="checkbox"/> Issuance of RFPs/REOs.	<input type="checkbox"/> Issuance of RFPs/REOs.
4. Permanent Highway Closures:	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.	<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:	<input type="checkbox"/> Transfer of Operational Management to Divisions and Agencies.	<input type="checkbox"/> Transfer of Operational Management to Divisions and Agencies.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.	<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 \$3 Million.	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million.
	<input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding twelve (12) 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 twelve (12) months, including licences for environmental assessments and/or testing, etc.
	Delegated to a more senior position.	<input type="checkbox"/> (c) Where compensation is less than market value, provided tenant and lease satisfy Community Space Tenancy Policy criteria set out in Item EX28.8, as adopted by Council on November 7, 8 and 9, 2017.
10. Leases/Licences (City as Tenant/Licensee):	<input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> (a) Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> (a) Where total compensation does not exceed \$5 Million.
	<input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.	<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 \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
13. Revisions to Council Decisions in Real Estate Matters:	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (u)).
14. Miscellaneous:	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences
	<input type="checkbox"/> (b) Releases/Discharges	<input type="checkbox"/> (b) Releases/Discharges
	<input type="checkbox"/> (c) Surrenders/Abandonments	<input type="checkbox"/> (c) Surrenders/Abandonments
	<input type="checkbox"/> (d) Enforcements/Terminations	<input type="checkbox"/> (d) Enforcements/Terminations
	<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates	<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates
	<input type="checkbox"/> (f) Objections/Waivers/Cautions	<input type="checkbox"/> (f) Objections/Waivers/Cautions
	<input type="checkbox"/> (g) Notices of Lease and Sublease	<input type="checkbox"/> (g) Notices of Lease and Sublease
	<input type="checkbox"/> (h) Consent to regulatory applications by City, as owner	<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"/> (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"/> (j) Documentation relating to Land Titles applications
	<input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds	<input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds

B. Deputy City Manager, Corporate Services and Executive Director, Corporate Real Estate Management 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.
- Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.
- Expropriation Applications and Notices following Council approval of expropriation.

Consultation with Councillor(s)															
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:	Consent					Comments:									
Consultation with Divisions and/or Agencies															
Division:	Shelter, Support & Housing Administration					Division:	Financial Planning								
Contact Name:	Loretta Ramadhin					Contact Name:	Filisha Jenkins								
Comments:	Consent					Comments:	Consent								
Legal Division Contact															
Contact Name:	Shirley Chow														

DAF Tracking No.: 2020- 113	Date	Signature
Recommended by: Manager, Real Estate Services, Daran Somas	April 30 th , 2020	Signed By: Daran Somas
Recommended by: Director, Real Estate Services, Alison Folosea	April 30 th , 2020	Signed By: Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	April 30 th , 2020	Signed By: Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Patrick Matozzo		
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli		X

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:	Auberges De Jeunesse Du St-Laurent Inc.
Premises:	Entirety of the HI Toronto hostel at 76 Church Street, Toronto
Gross Rent:	<p>\$110,000 per month (plus HST), payable in monthly installments for the six month term, with the first 2 months' Gross Rent payable as soon as possible after the Commencement Date,</p> <p>Gross Rent is inclusive of realty taxes and any hotel taxes. The City reserves the right to seek tax relief for the portion of realty tax attributed in the Gross Rent.</p>
Additional Costs:	1) All applicable HST.
Term:	<p>Six (6) months, commencing on or about April 30, 2020 and expiring six (6) months thereafter.</p> <p>The Landlord agrees that the City shall be permitted access to the Premises prior to the Commencement Date, for the purpose of set-up and preparing the Premises for the City's use. Such access to be coordinated with the Landlord.</p>
Option to Extend:	The City shall be entitled to extend the Lease for two (2) further terms of three (3) months each (each an "Extended Term"), with each Extended Term being on the same terms and conditions of this Lease, except that there shall be no further options to extend beyond the last Extended Term noted herein, and except for the Gross Rent, which shall be \$120,000.00 gross rent per month for each Extended Term, payable monthly in advance. The City shall give written notice to the Landlord to exercise its option to extend at least thirty (30) days prior to the end of the Initial Term or the first Extended Term, as the case may be.
Early Termination:	At any time after July 31, 2020, the City may terminate the Lease with ten (10) days prior written notice to the other party.
Use:	The Premises shall be solely used for the purposes of a temporary shelter, including but not limited, to meeting the needs of physical distancing obligations, isolation or recovery of clients of the City's service providers/community operators, or such other shelter needs of the City. The City may engage one or more third party service providers/community operators to operate the Premises in accordance with the Lease
City Obligations	<p>The City shall be solely responsible for the operation of the Permitted Use within the Premises, including the assignment of rooms, coordinating house cleaning services and coordinating catering. The City is responsible for costs related to preparing the Premises for its Permitted Use.</p> <p>The City will be responsible for providing the following services:</p> <ul style="list-style-type: none"> • All security and supervision of the Premises. The City may retain security services from a licensed security provider at its sole discretion (the City will have access to and use of the Landlord's existing security system); • Public Health and other support services; • custodial, housekeeping and laundry services for the Premises, including provision of soap and shampoo, as needed; minor maintenance of the Premises, provided that any such individual maintenance or repair does not exceed \$250 (any maintenance or repairs exceeding \$250 shall be the responsibility of the Landlord, provided that the maintenance and repair is not necessitated from damage caused by the City, its service provider(s)/community operator(s) or their clients; and • an "institutional level deep cleaning" on completion of the Term, to the standards recommended by Toronto Public Health.
Landlord Obligations:	<p>The Premises will be provided in an "as-is" condition. The Landlord shall provide the City and its service provider(s)/community operator(s), with un-interrupted access to the Premises, on a 24/7 basis, for the duration of the Term including the restoration period. The Landlord shall provide access keys for the premises and required key cards for the rooms in advance of the term and replace as necessary. The Landlord shall be solely responsible for the operation and maintenance of core operation obligations and building systems within the hostel including:</p> <ul style="list-style-type: none"> • electrical power for normal lighting used by the City and domestic hot and cold running water as required for the Permitted Use; • waste management services with waste disposal at such frequency as required by the City or its service providers/Community operators;

- fire & life safety systems and related maintenance and monitoring including the Building Safety Plan Document and Annual Inspection Reports for the fire alarm system, emergency lighting/generator, fire extinguishers, standpipe hose system (if applicable), sprinkler system (if applicable) and kitchen suppression system (if applicable);
- Elevator maintenance and replacement;
- pest control services;
- building envelope and capital repairs;
- HVAC system capabilities, limitations and maintenance activities on site;
- access to internet , Wi-Fi, cable TV and phone service as per the existing installation for the City's staff and staff of the City's third party service provider, community operators and clients;
- Removal and storage of mattresses and bunk beds, if required by the City, at its sole discretion, provided that the City advise the Landlord prior to the Commencement Date.

The Landlord will provide a property manager at the Hostel or on call to manage systems use, and maintenance services provided by the Landlord. The Landlord will provide all necessary personal protective equipment required for the provision of services the Landlord is responsible for.

The Landlord will provide the following services:

- on call staff person 24 hours a day, 7 days a week;
- an "institutional level deep cleaning" prior to occupancy, to the standards recommended by Toronto Public Health; and
- use of the laundry machines

Insurance:

The City will maintain:

- (a) Commercial general liability insurance on an occurrence basis, against claims for bodily injury, personal injury and property damage in or about the Premises, contractual liability, tenant's legal liability, non-owned automobile liability, and owner's and contractor's protective liability, in amounts which are from time to time acceptable to a prudent tenant in the community in which the Building is located, but not less than \$2,000,000.00 in respect of each occurrence. The Landlord and its lender are to be added as an additional insureds.
- (b) \$1,000,000.00 for Automobile Liability.

Restoration of the Premises:

The City shall within 60 days following the end of Term, vacate the Premises and remove any property brought on the Premises by the City and return the Premises as close as practicable, to its original condition prior to the Commencement Date, including an "institutional level deep cleaning" on completion of the Term, to the standards recommended by Toronto Public Health. The City is responsible for any damage to the building, including damage to core operating or building systems, FF&E and other property. The City shall only be required to pay the applicable Gross Rent for the period of time actually required by the City to complete the restoration of the premises.

Pets:

The Landlord agrees that pets shall be allowed in the Premises to reside with the occupants.

Additional Provisions:

No Smoking – The building interior is provided on a no smoking basis. Smoking is permitted on the rooftop terrace, provided that the City secure all necessary approvals.

Option to Purchase:

During the Term, the Landlord agrees to enter into discussions with the City on a non-exclusive basis regarding the potential sale of the Property to the City, and the related business terms.

Right of First Refusal To Purchase:

The City is granted a right of first refusal to purchase the Property (the "ROFR") on the following terms:

(i) If during the Term, the Landlord receives an offer to purchase the Property that the Landlord is prepared to accept (the "Acceptable Offer"), then the Landlord shall provide written notice to the City of its intention to sell the Property (the "Offer Notice") and the City shall have 21 calendar days from the date of the Offer Notice, to exercise the City's right to purchase the Property on the terms and conditions contained in the Acceptable Offer; and

(ii) If the City elects to purchase the Property on the terms and conditions contained in the Acceptable Offer, the Landlord shall provide the City an additional 75 calendar days for the City to obtain the approval of the City of Toronto Council, in its sole and absolute discretion, to the purchase of the Property.

Appendix "B"

Location Map

