



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

TRACKING NO.: 2020-110

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:	Avery Carr	Division:	Corporate Real Estate Management
Date Prepared:	April 21, 2020	Phone No.:	647-458-1934
Purpose	To obtain authority for the City of Toronto (the "City"), as tenant, to enter into a lease (the "Lease") with Times 5565 Inc. (the "Landlord"), for the purpose of an emergency shelter at the apartment building located at 65 Broadway Avenue, with the option to lease additional units from the Landlord at the adjacent apartment building located at 55 Broadway Avenue, as needed.		
Property	71 units located at the property municipally known as 65 Broadway Avenue, City of Toronto (the "Property") as shown on the Location Map in Appendix "B". 59 units located at the property municipally known as 55 Broadway Avenue, City of Toronto (the "Adjacent Building") as shown on the Location Map in Appendix "B".		
Actions	1. Authority be granted to enter into the Lease with the Landlord to lease 71 units at the Property for a term commencing on April 23, 2020 and expiring on November 30, 2020, with the option to lease some or all of the units at 55 Broadway Avenue as needed, 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 Deputy City Manager, Corporate Services ("DCM") 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> <p>(i) Gross Rent at 65 Broadway Avenue: \$117,150.00 (plus HST) per month (71 units x \$1,650.00 per month), or \$119,211.84 (net of HST recoveries) payable in monthly installments commencing May 1, 2020 for seven (7) months for a total gross rent for the term of \$820,050.00 (plus HST) or \$834,482.88 (net of HST recoveries).</p> <p>(ii) Option to Lease at 55 Broadway: If the City elects to lease some or all of the units in the adjacent building, the gross rent will be \$1,650 (plus HST) per unit per month, or \$1,679.04 (net of HST recoveries) payable in monthly installments commencing May 1, 2020 for seven (7) months. The maximum total gross rent for all fifty-nine (59) additional units would be \$681,450.00 (plus HST) (maximum of 59 units x \$1,650 per month x 7 months), or \$693,443.52 (net of HST recoveries).</p> <p>(iii) If the Landlord is requested to undertake construction work as requested by the City with details confirmed in writing, the City shall reimburse the Landlord for such cost (plus HST) to a maximum of \$100,000.00 (plus HST).</p> <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>		
Comments	<p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p> <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 a 71 unit, 4 floor apartment building. The Property will be used for the purposes of a temporary shelter, including but not limited to, meeting the needs of physical distancing obligations, isolation and/or recovery of the clients of the City, or such other shelter needs of the City. The facility may be operated by a service provider as deemed appropriate by SSHA. If additional units are required, the City has the option to lease some or all of the 59 units at 55 Broadway Avenue.</p> <p>As a component of SSHA's emergency response efforts to the COVID-19 pandemic, SSHA has received SLT approval to activate 275 temporary apartment units to support physical distancing, isolation and recovery needs within the shelter system. This location comprises a component of such 275 apartment units.</p> <p>SSHA has approved this proposed Licence 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 Services staff consider the terms and conditions of this proposed Lease to be fair, reasonable and reflective of market rates.</p>		
Terms	Refer to Appendix "A" for the Terms and Conditions.		
Property Details	Ward:	12 – Toronto St. Paul's	
	Assessment Roll No.:		
	Approximate Size:		
	Approximate Area:		
	Other Information:		

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate 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:</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 \$3 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 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><input type="checkbox"/> Transfer of Operational Management to Divisions and Agencies.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 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 type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 Million.</p> <p><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.</p> <p>Delegated to a more senior position.</p> <p><input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$3 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 \$3 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/Cautions</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><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 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><input type="checkbox"/> Transfer of Operational Management to Divisions and Agencies.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 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 type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><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.</p> <p><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.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$5 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 \$5 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/Cautions</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>

- 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:	Councillor Matlow	Councillor:	
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Contact Name:		Contact Name:	
Contacted by:	Phone E-Mail Memo Other	Contacted by:	Phone E-mail Memo Other
Comments:		Comments:	
Consultation with Divisions and/or Agencies			
Division:	Shelter, Support and Housing Administration	Division:	Financial Planning
Contact Name:	Loretta Ramadhin	Contact Name:	Filisha Jenkins
Comments:	No comments (Apr 21, 2020)	Comments:	Comments Incorporated (Apr 21, 2020)
Legal Division Contact			
Contact Name:	Soo Kim Lee (Apr 21, 2020)		

DAF Tracking No.: 2020 - 110	Date	Signature
Recommended by: Manager, Real Estate Services	April 23 rd , 2020	Signed By: Daran Somas
Recommended by: Director, Real Estate Services	April 23 rd , 2020	Signed By: Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input type="checkbox"/> Approved by: Patrick Matozzo	April 23, 2020	Signed 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: Times 5565 Inc.
- Premises: 71 units in the apartment building at 65 Broadway Avenue, Toronto
- Option for Additional Premises:
- The City has the option to lease some or all of the 59 units at adjacent 55 Broadway Avenue.
- Gross Rent and Rent Free Period:
- Completely Rent Free: April 23, 2020 up to and including April 30, 2020.
- Gross Rent: Commencing on May 1, 2020, gross rent for the Property in the amount of \$117,150.00 per month (\$1,650.00 plus x 71 units), payable in monthly installments. If the City elects to lease some or all of the units in the Adjacent Building, gross rent will be \$1,650.00 per unit per month. For any partial month. For any partial month, gross rent shall be pro-rated, based on the number of days in that month.
- Gross rent is inclusive of realty taxes, all utilities, and all Landlord operating and maintenance costs.
- Municipal Capital Facility:
- The parties acknowledge that the Gross Rent includes an apportionment of realty taxes. The Landlord will assist the Tenant in its endeavors to reduce the realty tax applicable and agrees that any realty tax relief, reduction or cancellation, obtained in any form whatsoever, covering the period during the City's occupancy of the Premise (inclusive of the Term to the Termination Date) shall be fully passed to the Tenant, as a rent credit, or reimbursed to the City in the event such tax relief is obtained by the Landlord after the Termination Date.
- Term: 7 months and 9 days, commencing on April 23, 2020 until November 30, 2020.
- Early Termination: Either party may terminate this Lease upon thirty (30) days prior written notice to the other of them provided that the Landlord may not provide such written notice until on or after July 1, 2020.
- Use: For the purposes of accommodation as a temporary shelter facility for homeless clients, with such related services or other assistance as are considered appropriate by the City from time to time including relocation of homeless clients for the purpose of meeting the needs of physical distancing obligations, isolation and/or recovery of the clients of the City. The Premises will be used by the City and operated by its service providers, with access to the Premises, on a 24/7 basis.
- Tenant Obligations The City will be responsible for exterior window cleaning, cleaning and maintenance of the Premises and exterior grounds, pest control, keeping all garbage in rat-proof containers until removed, and for all costs relating to the removal of recycling and organic waste from the Premises. The City may also be responsible for security services as needed.
- Landlord Work: The Premises will be provided in an "as-is" condition. The Landlord shall be responsible for maintenance of the Premises including:
- (i) Cleaning the Premises, including removal of all chattels;
 - (ii) provide all available manuals in the Landlord's possession, and contact names for all existing building systems;
 - (iii) passenger elevator to be operational and with a TSSA license that remains in good standing, to be maintained by an elevator service contract with Otis Elevator Company at the Tenant's expense;
 - (iv) ensure all lighting and HVAC (excluding air conditioners which for the Premises are chattels) in the Premises is in working condition and controllable by switches and by zones;

- (v) all water fixtures and building systems servicing the Premises to be inspected and delivered in good working order;
- (vi) repairs shall be effected to floors, wall, doors and ceilings servicing the Premises as directed by City Personnel to ensure the same are safe and presentable, it being understood that the standard of repair required for the Premises is not that of a typical apartment building but rather that of a shelter facility; and
- (vii) annual fire and life safety systems re-inspection and testing prior to May 1, 2020.

The Landlord and the City recognize that the Premises will be used during a State of Emergency and any requests for repairs or maintenance to the Premises may not be practical or possible if the Landlord's contractors or staff are not comfortable entering and working within the Premises. To the extent such persons are unable or unwilling to perform Landlord responsibilities, the Landlord shall use commercially reasonable efforts to perform its responsibilities as promptly as possible however the Landlord shall not be in default or breach of this Lease agreement as a result of failing to perform its repair and maintenance obligations if such failure is related to COVID-19 cases within the Premises.

Additional Landlord Work:

In addition to the foregoing, if the Landlord is requested to undertake other construction work ("**Landlord Performed Tenant Work**") as requested by the City with details and confirmed in writing, such Landlord Performed Tenant Work shall be completed expeditiously and reasonably, pursuant to the City's Fair Wage Policy and Labour Trades Contractual Obligations in the Construction Industry attached hereto as **Schedule "A"**, as same may be amended from time to time. The City shall reimburse the Landlord for the cost of all Landlord Performed Tenant Work plus HST to a maximum of **One Hundred Thousand (\$100,000.00) Dollars**. The City hereby requests the Landlord to perform the following work items as Landlord Performed Tenant Work:

- (i) install shower rods and curtains in each suite;
- (ii) provide telephone, internet, Wi-Fi and cable TV (such work item may be performed after the Commencement Date); and
- (iii) procure and install air conditioning units in each suite (such work item may be performed after the Commencement Date).

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 Premises is located, but not less than \$10,000,000.00 in respect of each occurrence. The Landlord and applicable mortgagee are to be added as an additional insureds.
- (b) Any other form of insurance, in such amounts and against such risks, as Landlord or Landlords mortgagee may in its reasonable discretion require.

Appendix "B"

Location Map

