

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

TRACKING NO.: 2020-127

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:	May 13, 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 Timbercreek Four Quadrant GP 2 INC., as general partner for Timbercreek 4Q Commercial Value-ADD LP (GTA) (the "Landlord"), for the use of the premises referred to as "98 The Esplanade" located at 98 The Esplanade, Toronto for the purpose of a temporary shelter.
Property	The entire premises referred to as "98 The Esplanade" being freehold lands (formerly known as the Fitness Clubs premises), and located at 98 The Esplanade (being part of 71 Front St. East), City of Toronto (the "Property") and on the Location Map in Appendix "B".
Actions	1. <i>Authority be granted to enter into the Lease with the Landlord to lease the Property for a term of three (3) months commencing on or about May 15, 2020 and expiring three (3) 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.</i>
Financial Impact	<p>The following costs will be incurred by the City in connection with the Lease for the initial term and the extension term:</p> <p>1. Basic Rent: nominal consideration (\$0 HST inclusive) for the entire three (3) month term, and the three (3) month extension term of the lease agreement.</p> <p>2. Additional Rent: Total additional rent for the initial three (3) month term is estimated at \$43,840.48 (plus HST), or \$44,612.07 (net of HST recoveries). If the term is extended for a maximum of three (3) additional months, the total additional rent for the entire six (6) month term will be \$87,680.96 (plus HST), or \$89,224.14 (net of HST recoveries).</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> <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 rooms, offices, mezzanines and open spaces in the building. The Property will be used 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 St. Felix, 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 975 open space beds.</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: 1242 m2 ± (13366 ft2 ±)
	Other Information:	Pin: 214000003

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate 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 \$50,000.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><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.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 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>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 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 \$1 Million.</p> <p><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.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$1 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 \$1 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/Caution</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. 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:	Kristyn Wong-Tam					Councillor:			
Contact Name:	Edward LaRusic					Contact Name:			
Contacted by:	Phone	<input checked="" type="checkbox"/>	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:	Soo Kim Lee								

DAF Tracking No.: 2020- 127	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Acting Manager, Transaction Services Daran Somas	May 17 th , 2020	Signed By: Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	May 17 th , 2020	Signed By: Alison Folosea

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:	Timbercreek Four Quadrant GP 2 INC., as general partner for Timbercreek 4Q Commercial Value-ADD LP (GTA)
Premises:	Entirety of "98 The Esplanade" being freehold lands (formerly known as the Fitness Clubs premises), and located at 98 The Esplanade (being part of 71 Front St. East, Toronto).
Basic Rent:	nominal (\$0 per month HST inclusive) for the three month term and the three additional months of extension term
Additional Rent:	estimated at \$14,613.49 per month plus HST (calculated at \$13.12/ft ² per year) paid per Landlord's monthly invoice for the three month term and the three months of extension term. The City reserves the right to seek tax relief for the portion of realty tax attributed in the Additional Rent.
Additional Costs:	<ol style="list-style-type: none"> 1) All applicable HST. 2) Utilities 3) Garbage room common area charges (based on proportionate share per ft² of all shared users) 4) Garbage Disposal (based on proportionate share per ft² of all shared users)
Term:	<p>Three (3) months, commencing on or about May 15, 2020 and expiring three (3) 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 may extend the Lease for three (3) further terms of one (1) month 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. 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 any Extended Term, as the case may be.
Early Termination:	At any time after the initial term, the City may terminate the Lease with thirty (30) 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. The Landlord makes no representation or warranty as to the suitability of the Premises for such use or whether such use is permitted by applicable laws. The City confirms that it has satisfied itself in all respects as to the suitability of the Premises for its intended use. SSHA staff has confirmed with City Planning and Toronto Building that the Use is permitted.
City Obligations	<p>The City shall be solely responsible for the operation of the Permitted Use within the Premises, coordinating and responsible for house cleaning, and janitorial services and catering. The City shall be responsible for providing the following services</p> <ul style="list-style-type: none"> • all security and supervision of the Premises. The City shall retain security services from a licensed security provider which shall provide security on a 24 hour / 7 day per week basis. The City shall make best efforts to ensure that clients do not enter any common areas of the adjacent condominium building and shall make best efforts to ensure that the City's use does not cause any nuisance or disturbance to any occupants of the adjacent condominium building (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; • abide by the reasonable rules for use set by the adjacent Condominium Corporation in connection with the use any shared common facilities (such as the loading dock and garbage room). • properly dispose of all garbage and other waste in accordance with all applicable laws and best practices. • Maintenance of the interior of the Premises. • The City will be responsible for any damages to the Property or additional costs incurred by the Landlord as a result of the City's occupancy of the Premises, save and except for damage or costs arising from, caused by, or attributable to the Landlord's negligent acts or omissions, and

provided that the Landlord immediately reports any damages that it becomes aware of to the City (it being agreed the Landlord has no obligation to monitor for such)

Landlord Obligations: The Premises will be provided in an "as-is" condition. The Landlord shall provide the City, and its Licenced Service Provider, with uninterrupted access to the Premises, on a 24/7 basis, for the duration of the Term (subject to force majeure events and emergencies related to force majeure events, that may impact such access). The Landlord shall provide access keys for the Premises in advance of the Term.

The Landlord shall be solely responsible for the operation and maintenance of core operating obligations and building systems within the premises, including the provision of the following:

- electrical power for normal lighting used by the City and domestic hot and cold running water as required for the Permitted Use.
- provide waste management services (shared with adjacent condo building) to the City, with the City paying its proportionate share of such costs.
- fire & life safety systems and related maintenance and monitoring; including provision of the following:
 - Building Fire Safety Plan document
 - Annual inspection reports for:
 - fire alarm system
 - emergency lighting/generator
 - fire extinguishers
 - standpipe hose system (if applicable)
 - sprinkler system (if applicable)
 - kitchen suppression system (if applicable)
- elevator maintenance and replacement (if applicable)
- pest control services
- building envelope and capital repairs
- HVAC system capabilities, limitations and maintenance activities on site

The Landlord will provide a contact person to be on call to assist with any building operations or system inquiries. The Landlord will provide all necessary personal protective equipment for any of its staff and contractors/sub-contractors that come onto the Premises.

The Landlord will provide the following services

- Utilities (all utilities costs shall be paid by the City)
- Structural Repairs

Save and except only for major capital costs and costs of structural repairs or replacements, all costs of carrying out all items that are the Landlord's Responsibilities shall be paid by the City to the Landlord or directly to the provider, as Additional Rent herein.

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 \$5,000,000.00 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.

Tenant Work: The City shall be permitted to install temporary/non-permanent equipment or property throughout the Premises as required by the Permitted Use, including sharps disposal units, heating and fire alarm covers and laundry machines. The City shall ensure that any installations are removed from the Premises following the end of the Term and the effected area properly repaired and restored to a similar condition that existed on the Commencement Date. At the City's option, the City may remove fixtures/finishes as deemed necessary such as glass shower doors and flooring, mirrors on the walls and glass railings. Glass railing that are removed shall be replaced with appropriate materials, to ensure public safety.

End of term: The City shall, within 30 days following the end of the Term, vacate the Premises and remove any property of any kind brought on the Premises by the City, in accordance with the terms herein, and leave the Premises in a clean, broom swept condition, to the Landlord's reasonable satisfaction.

Additional Provisions: No Smoking – The building interior is provided on a no smoking basis. Smoking is not permitted on the premises.

Appendix "B"

Location Map

