

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

TRACKING NO.: 2020-194

Approved pursuant to the Delegated Authority contained in Article 2 of City of Toronto Municipal Code Chapter 213, Real Property

Prepared By:	Owen Bartley	Division:	Corporate Real Estate Management
Date Prepared:	July 23, 2020	Phone No.:	(416) 388-1297

Purpose	To obtain authority to enter into a lease amending agreement (the "Lease Amending Agreement") with The Manufacturers Life Insurance Company (the "Landlord") in order to incorporate 6,046 square feet of rentable area into the Lease, as defined below, for the purpose of the continued office use of Suite 402 by Shelter, Support and Housing Administration (SSHA).																												
Property	The property municipally known as 625 Church Street, Toronto, being all of PIN 21108-0091, (the "Property"), as shown on the Location Map in Appendix "B".																												
Actions	Authority be granted to enter into the Lease Amending Agreement with the Landlord, substantially on the major terms and conditions set out in Appendix "A", and including such other terms as deemed appropriate by the Director of Real Estate Services, and in a form satisfactory to the City Solicitor.																												
Financial Impact	<p>The maximum total estimated cost to the City for the term of one (1) year will be approximately \$269,953.90 (plus HST) or \$274,705.09 (net of HST recoveries). Of this total, \$139,058.00 (plus HST) or \$141,505.42 (net of HST recoveries) is payable as basic rent; \$130,895.90 (plus HST) or \$133,199.67 (net of HST recoveries) is payable as additional rent. There are no tenant improvements anticipated at this time. The table below reflects the total rent expenditures to the City for each fiscal year.</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Period</th> <th>Basic Rent (net of HST recoveries)</th> <th>Additional Rent (net of HST recoveries)</th> <th>Total Rent (net of HST recoveries)</th> <th>Total Rent (plus HST)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>Aug 2020 - Dec 2020</td> <td>58,960.59</td> <td>55,499.86</td> <td>114,460.45</td> <td>112,480.79</td> </tr> <tr> <td>2021</td> <td>Jan 2021 - Jul 2021</td> <td>82,544.83</td> <td>77,699.81</td> <td>160,244.64</td> <td>157,473.11</td> </tr> <tr> <td>Total</td> <td></td> <td>\$ 141,505.42</td> <td>\$ 133,199.67</td> <td>\$ 274,705.09</td> <td>\$ 269,953.90</td> </tr> </tbody> </table>					Fiscal Year	Period	Basic Rent (net of HST recoveries)	Additional Rent (net of HST recoveries)	Total Rent (net of HST recoveries)	Total Rent (plus HST)	2020	Aug 2020 - Dec 2020	58,960.59	55,499.86	114,460.45	112,480.79	2021	Jan 2021 - Jul 2021	82,544.83	77,699.81	160,244.64	157,473.11	Total		\$ 141,505.42	\$ 133,199.67	\$ 274,705.09	\$ 269,953.90
Fiscal Year	Period	Basic Rent (net of HST recoveries)	Additional Rent (net of HST recoveries)	Total Rent (net of HST recoveries)	Total Rent (plus HST)																								
2020	Aug 2020 - Dec 2020	58,960.59	55,499.86	114,460.45	112,480.79																								
2021	Jan 2021 - Jul 2021	82,544.83	77,699.81	160,244.64	157,473.11																								
Total		\$ 141,505.42	\$ 133,199.67	\$ 274,705.09	\$ 269,953.90																								
Comments	<p>Funding is available in the 2020 Council Approved Operating Budget for Shelter, Support and Housing Administration (SSHA) under cost centre F01621, and will be included in future Operating Budget submissions for Council consideration.</p> <p>Rent payable under the Lease for Suite 500 has been secured and authorized by DAF 2020-132, and funding for Suite 500 is available under cost centre FH5521.</p> <p>Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p> <p>Pursuant to Item GM31.13 adopted by City Council on June 8, 9, 2010, the City entered into a comprehensive lease with the Landlord for exclusive use of Suite 500 (the "Lease") for the purpose of general office use by SSHA. The Lease has since been extended twice. The first extension term expired May 31, 2020 and was authorized by DAF 2016-115 and DAF 2018-015. The second extension term will expire July, 31st 2021 and was authorized pursuant to DAF 2020-132.</p> <p>In 2018, pursuant to DAF 2018-086, the City entered into a sublease agreement (the "Sublease") with Free Daily News Group Inc. for additional space in Property, known as Suite 402. The Sublease commenced June 1, 2018 and will expire July 30, 2020. Free Daily News is not extending its head lease with the Landlord therefore even though SSHA still requires use of the space until they can relocate into a City owned location, it is not possible to simply extend the Sublease.</p> <p>In the alternative, the City and the Landlord have agreed to enter into a Lease Amending Agreement that will incorporate Suite 402 to the Lease commencing August 1, 2020.</p> <p>The proposed rent and other major terms and conditions of the Lease Amending Agreement are considered to be fair, reasonable and reflective of market rates. The Lease is still in effect, except only to the extent modified by the Lease Amending Agreement, and is also considered to be fair, reasonable and reflective of market rates.</p>																												
Terms	See Appendix "A"																												

Property Details	Ward:	Ward 11 – University-Rosedale
	Assessment Roll No.:	19 04 068 520 001 00
	Approximate Size:	Not Applicable
	Approximate Area:	561.69 m ² / 6,046 ft ²
	Other Information:	Not Applicable

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, Agencies and Corporations:</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 checked="" 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 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/Estoppel 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. 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 each position 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.

Pre-Condition to Approval			
<input type="checkbox"/> Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property			
Consultation with Councillor(s)			
Councillor:	Councillor Mike Layton		Councillor:
Contact Name:	Councillor Mike Layton		Contact Name:
Contacted by:	Phone	<input checked="" type="checkbox"/> E-Mail	Memo
Comments:	No concerns (07/23/2020)		Comments:
Consultation with Divisions and/or Agencies			
Division:	Shelter, Support & Housing Administration		Division:
Contact Name:	Loretta Ramadhin		Contact Name:
Comments:	No concerns (07/23/2020)		Comments:
Division:	Financial Planning		Contact Name:
Contact Name:	Filisha Jenkins		Comments:
Comments:	Revisions Incorporated (07/23/2020)		
Legal Services Division Contact			
Contact Name:	Catherine Thomas		

DAF Tracking No.: 2020-194	Date	Signature
Concurred with by: Manager, Real Estate Services		X
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas	July 27 th , 2020	Signed By: Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	July 28 th , 2020	Signed By: Alison Folosea

Appendix "A" – Major Terms and Conditions of the Lease Extension Agreement

Landlord:	The Manufacturers Life Insurance Company
Tenant:	City of Toronto
Leased Premises:	In addition to the existing 14,923 sq ft, the Lease Amending Agreement will add the 6,046 sq ft area that comprises Suite 402, 625 Church Street, Toronto
Basic Rent:	\$23.00 per sq ft per year (plus HST)
Additional Rent:	\$21.65 per sq ft per year (plus HST)
Term:	A maximum of twelve (12) months commencing August 1, 2020
Options to Renew :	N/A.
Overhold:	Should the City remain in possession of the Leased Premises following expiry of the Term, a monthly tenancy shall be deemed to arise and the Basic Rent increases by 25%.
Use:	General office purposes, including the administration of the City of Toronto's Streets to Homes, Shelters Support and Housing Division.
Insurance:	Comprehensive general public liability insurance of not less than \$5,000,000.00, or such other amount as the Landlord may require on no less than one month's notice. Insurance must add Landlord as additional insured and contain cross-liability. Tenant must also have fire insurance for no less than 80% of the full replacement cost of the lease hold fixtures, trade fixtures, furniture and equipment within the Leased Premises.
Indemnity and Release:	Landlord is not liable for any bodily injury, death or property loss occurring on the Property except as a result of its willful misconduct or gross negligence. Landlord is not liable for any damage caused by steam, water, rain or snow that flows or leaks into the Property. Except and to the extent the damage is insured, the City must indemnify the Landlord in event of any claims for bodily injury, death or property damage arising out the City's use of the Property. The indemnity survives the termination of the Lease.
Early Termination:	The Tenant shall have the right to terminate the Lease for any reason at any time after August 1, 2020 upon providing no less than sixty (60) days written notice to the Landlord.
Relocation:	The Landlord has no right to relocate the Tenant to alternative areas within the Property.
Assignment / Subletting:	City may not assign, sublet, or charge the Licensed Premises, or any part thereof, without the Landlord's prior written consent, which may be unreasonably withheld.
Right of Entry	The Landlord or its authorized agents, employees or contractors may upon no less than 24 hours prior notice, enter the Licensed Premises in the event of an emergency, for the purpose of inspection, window cleaning, maintenance, repairs, alterations or improvements. During the last 9 months of the Term, the Landlord may also enter to exhibit the space to potential tenants. Landlord must exercise right of entry in a minimally intrusive manner that respects the privacy of the City.
Change of Ownership:	In the event the Property is sold, the Landlord shall be relieved of its obligations, the transferee shall be bound and the City must attorn to such transferee.
Demolition:	The Landlord does have the right to terminate the Lease with 12 months' notice in the event that it chooses to demolish or substantially renovate the Building. This is not expected to be an issue as the remaining term on the Lease is only one year.
Services:	Landlord to maintain reasonable climate control, provide janitorial services, maintain common areas, remove snow from the property, and supply electricity and water. The costs of these services are reflected in the additional rent payable by the City.
Restoration:	At the end of the Term, the City must remove such of the leasehold improvements, fixtures, equipment or furnishings as directed by the Landlord, excluding items in place at the commencement date.
Damage & Repairs:	Landlord to operate, maintain, and replace Building structure, systems, facilities, common areas, and equipment, but has no obligation to maintain or repair Tenant's leasehold improvements.
Rules:	The Landlord has imposed certain rules that apply to the City's use of the Property and/or Leased Premises including corridors are to be kept clear, no pets or musical instruments are allowed, persons accessing the Leased Premises outside of the normal business hours are required to register at the front desk, no cooking beyond warming food for consumption in microwave.

Parking:

Right to park one non-commercial vehicle in each of 13 designated spaces. A separate licence agreement is already in place.

Appendix "B" – Location Map

