

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

TRACKING NO.: 2020-261

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

Prepared By:	Rutvik Pandya	Division:	Corporate Real Estate Management
Date Prepared:	July 20, 2020	Phone No.:	416-338-5812

<b>Purpose</b>	To obtain authority to enter into a lease with JLC International Inc. (the " <b>Tenant</b> ") with respect to the property municipally known as 705 Progress Avenue, Unit 32, Toronto for the purpose of a showroom and wholesale of golf equipment and accessories (the " <b>Lease Agreement</b> ").
<b>Property</b>	The property municipally known as 705 Progress Avenue, Unit 32, Toronto, as shown on the Location Map in Appendix " <b>B</b> " (the " <b>Premises</b> ").
<b>Actions</b>	1. Authority be granted to enter into the Lease Agreement with the Tenant, substantially on the major terms and conditions set out in Appendix " <b>A</b> ", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.
<b>Financial Impact</b>	<p>705 Progress Avenue is a jointly owned facility between the City of Toronto and Toronto District School Board (collectively, the "<b>Landlord</b>"). Net revenues collected are divided equally between the parties. According to the original decision in 1996, when the City of Scarborough acquired the property, the City's portion would be transferred to a dedicated parkland reserve fund (5% and 2% Land Acquisition Reserve Fund Scarborough – XR2007).</p> <p>The City's portion of total revenues is \$30,408 net of HST based on the total minimum rent is \$60,816 net of HST for the period of three (3) years commencing January 1, 2020 and ending December 31, 2022, the equivalent for \$8.00 per square foot per annum. The Tenant is also responsible for paying additional rent which is revised each year and is based on the operating budget for the property. Additional rent comprises the Tenant's pro rata share of the operating expenses. The Tenant is also responsible for all other occupancy costs including water, gas, hydro, heating and air conditioning.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information</p>
<b>Comments</b>	<p>705 Progress Avenue is an industrial mall type of property consisting of approximately 156,000 square feet acquired in August, 1996 by the former City of Scarborough in partnership with the former Scarborough Board of Education (the "<b>Board</b>"). Pending development of the property as a future park and a school facility, it was decided to continue to lease the units to multiple tenants. Former City of Scarborough and the Board entered into an Operating Agreement dated January 2, 1997, which provided that the City, in consultation with the Board, would engage a property manager (currently Compass Commercial Realty LP) and enter into a management agreement. The City and the property manager would be responsible for the day-to-day operation of the property. There are no plans at the present time to carry out the intended uses by the City and the Board for the property.</p> <p>The proposed rent and other major terms and conditions of the Lease Agreement are considered to be fair, reasonable and reflective of market rates.</p>
<b>Terms</b>	See Appendix " <b>A</b> ".

<b>Property Details</b>	<b>Ward:</b>	24-Scarborough Guildwood
	<b>Assessment Roll No.:</b>	Part of 1901-05-2-810-04300
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	2,534 sq. ft.
	<b>Other Information:</b>	

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 &amp; Parks &amp; 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><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></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><b>Delegated to more senior positions.</b></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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></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><b>Delegated to more senior positions.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></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 &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><b>Delegated to more senior positions.</b></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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></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/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**
 Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property
**Consultation with Councillor(s)**

Councillor:	Paul Ainslie	Councillor:	
Contact Name:		Contact Name:	
Contacted by:	Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>	Contacted by:	Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	No Objections – May 19, 2020	Comments:	

**Consultation with Divisions and/or Agencies**

Division:		Division:	<b>Financial Planning</b>
Contact Name:		Contact Name:	Filisha Jenkins
Comments:		Comments:	Concurred – Dec 19,2019

**Legal Services Division Contact**

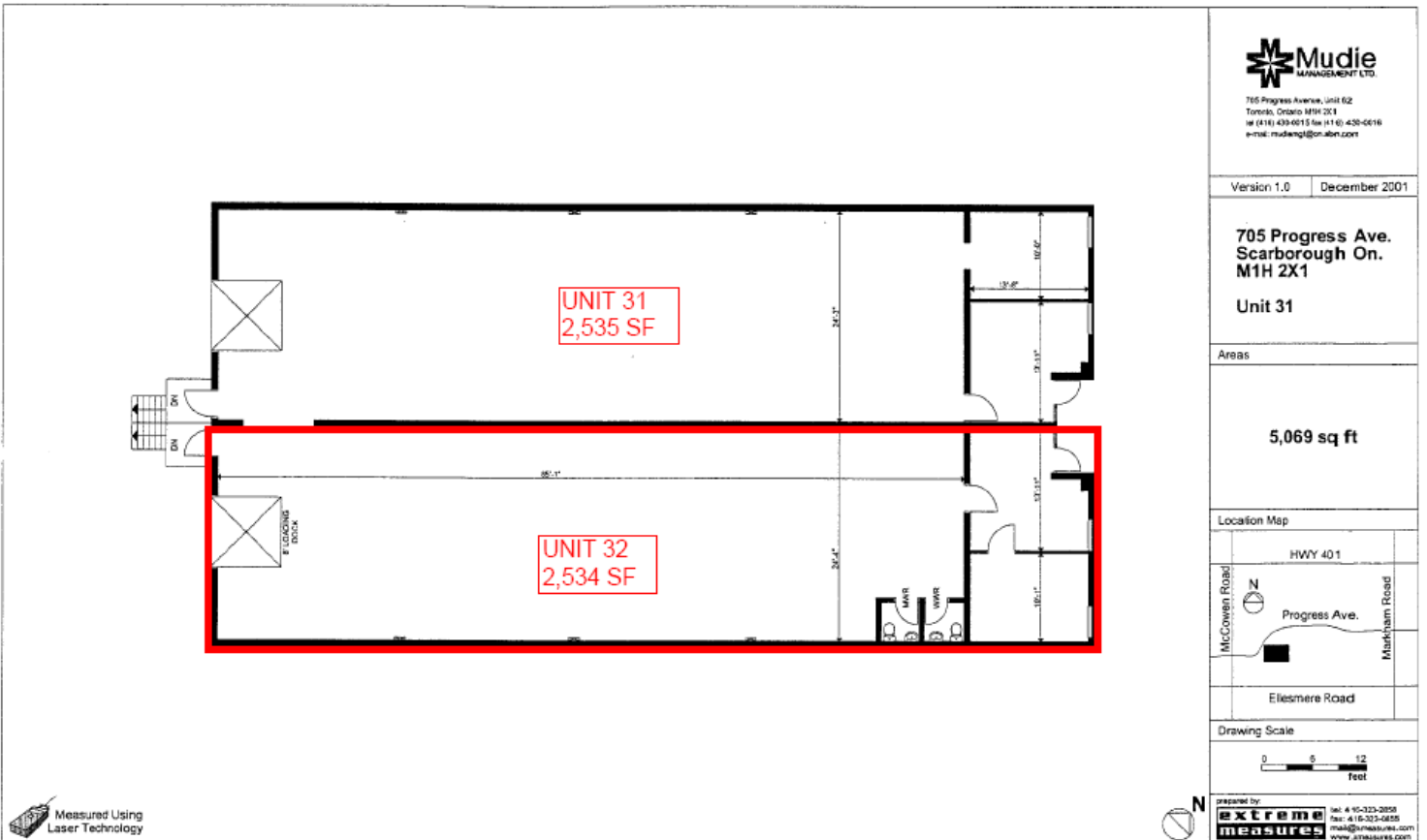
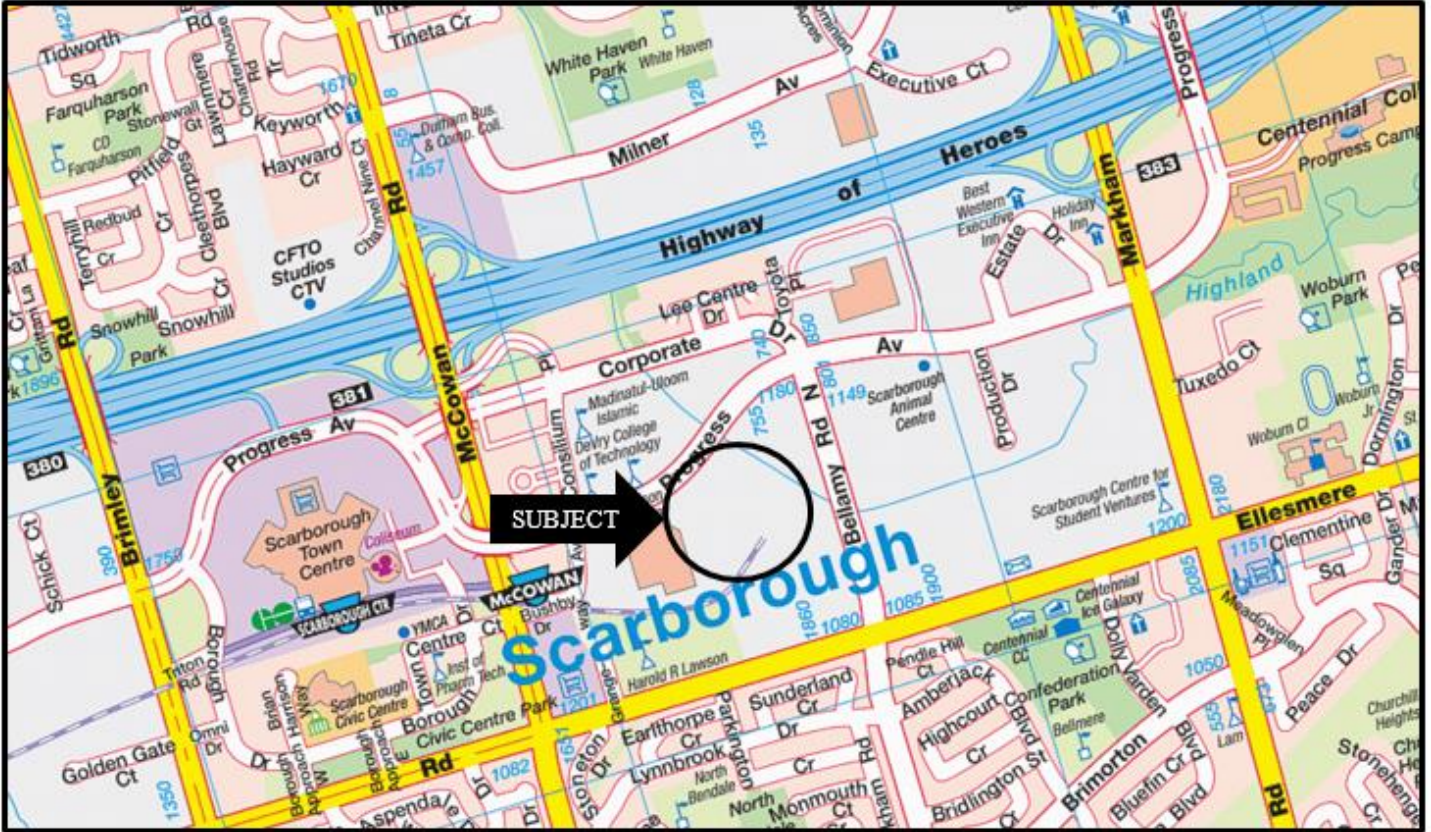
Contact Name:	Gloria Lee – Comments Incorporated
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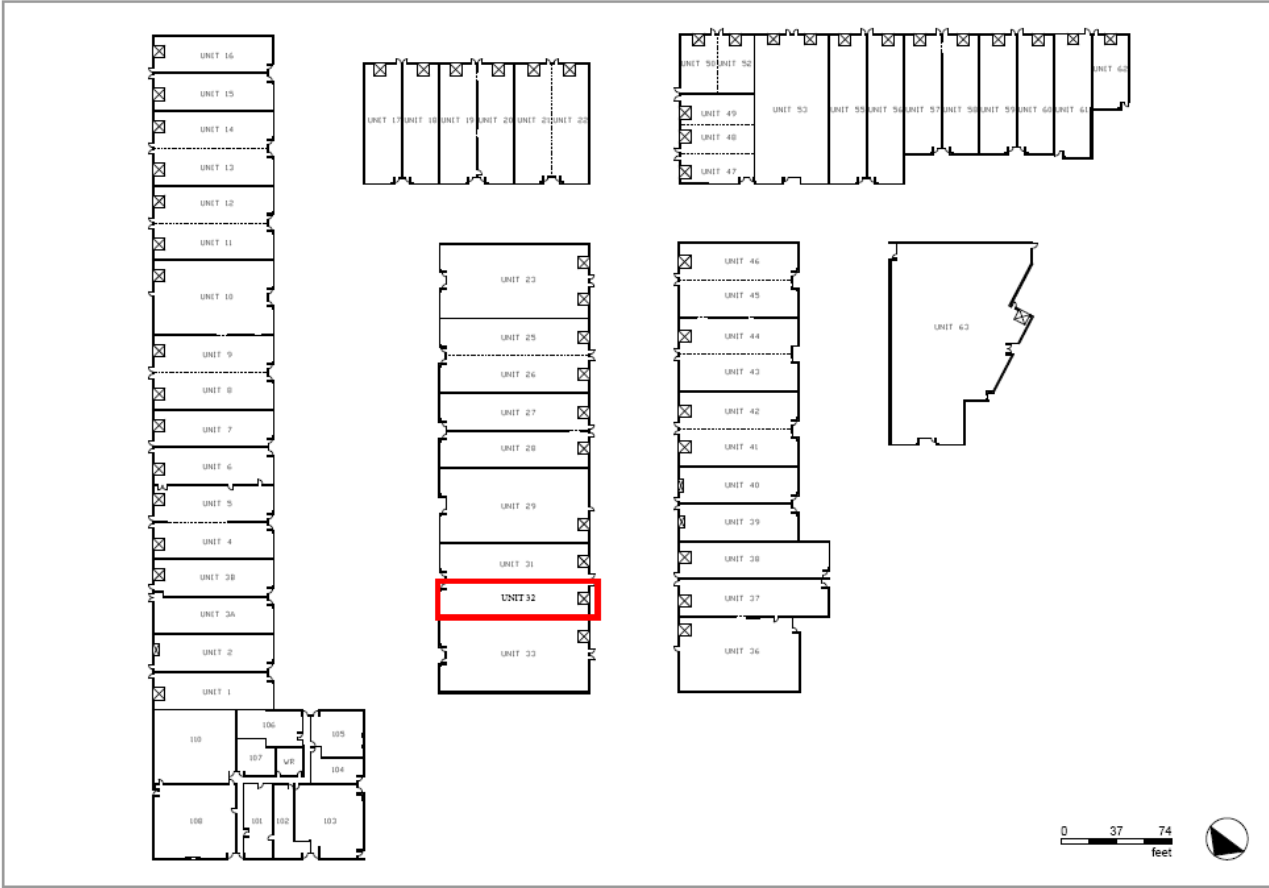
DAF Tracking No.: 2020- 261	Date	Signature
Concurred with by:           Manager, Real Estate Services		X
<input checked="" type="checkbox"/> <b>Recommended by: Manager, Real Estate Services Alex Schuler</b>	<b>July 27, 2020</b>	Signed by Alex Schuler
<input type="checkbox"/> <b>Approved by:</b>		
<input checked="" type="checkbox"/> <b>Approved by: Director, Real Estate Services Graham Leah</b>	<b>July 29, 2020</b>	Signed by Graham Leah

**Appendix A**  
**Terms and Conditions**

<b>Rent:</b>	Months 1 - 36	Net Rent	\$60,816.00 (\$8.00/ft <sup>2</sup> )
<b>Additional Rent:</b>	\$15,381.38 or \$6.07 psf for year 2020. Future years dependent on the operation budget		
<b>Area:</b>	2,534 ft <sup>2</sup>		
<b>Term:</b>	Three (3) years (January 1, 2020 – December 31, 2022)		
<b>Use:</b>	The Premises shall be used and shall continually be operated throughout the term for warehouse storage, distribution and wholesale of security equipment.		
<b>Prepaid Rent:</b>	Last months' rent in the amount of \$3,288.16.		
<b>Termination Clause:</b>	By the Landlord with six (6) months' written notice.		
<b>NSF Fee:</b>	\$40.00 per NSF Cheque.		
<b>Late Payment Charge:</b>	\$1.25% per month or \$15% per annum.		
<b>Payment:</b>	Tenant to provide post-dated monthly cheques or arrange for pre-authorized bank payment on or before the commencement of the lease term.		
<b>Parking:</b>	One (1) parking space for one (1) vehicle.		
<b>Water Heater:</b>	The Tenant agrees to be responsible for the installation and rental of its own water heater, and any related costs. If there is an existing heater present, then the Tenant shall be responsible for the cost of repair and/or replacement, including any related costs.		
<b>Tenant Acknowledgement:</b>	The Tenant acknowledges that portions of the Lands and Building are being used to provide shelter services. The Tenant releases the Landlord from all liability, costs, damages, claims or demands claimed to be caused by such shelter services, including interference with business operation and quiet enjoyment.		

**Appendix B**  
**Location Map**





Client

**City of Toronto**

Version: V/1	Prepared: 11/04/2013
	Measured: 01/12/2001

**705 Progress Avenue  
Toronto, Ontario**

**Site Plan**

This map shows the project location at the intersection of Progress Ave and Hwy 401. Other nearby roads include McCowan Rd to the west and Ellesmere Rd to the south. A north arrow is also present.

This work product has been prepared by Extreme Measures Inc. pursuant to a contract with the Client for the sole benefit of and use by the Client. No third party may rely on this work product without the receipt of a reference letter from Extreme Measures Inc.

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