

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

TRACKING NO.: 2020-230

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

<b>Prepared By:</b>	Patricia Chen	<b>Division:</b>	Corporate Real Estate Management
<b>Date Prepared:</b>	August 28, 2020	<b>Phone No.:</b>	416 338 3583
<b>Purpose</b>	To obtain authority for the City of Toronto (the "City"), as licensee, to enter into a license amendment and extension (the "Amending Agreement") with La Mirage Lodging Corporation cob Econo Lodge Inn & Suites Downtown (the "Licensor"), for use of the Econo Lodge Inn & Suites Downtown located at 335 Jarvis Street, Toronto for the purpose of hotel use for temporary accommodation of shelter clients.		
<b>Property</b>	50 room units at Econo Lodge Inn & Suites Downtown located at the property municipally known as 335 Jarvis Street, City of Toronto (the "Property") and on the Location Map in Appendix "B".		
<b>Actions</b>	1. Authority be granted to enter into the Amending Agreement with the Licensor for a term of nine (9) months and twelve (12) days commencing on July 19, 2020 and expiring on April 30, 2021 (the "Extended Term"), 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.		
<b>Financial Impact</b>	<p>The following costs will be incurred by the City in connection with the Amending Agreement:</p> <p>1. Fees for Gross Room Rate: \$180,000 (plus HST) per month, or \$183,168.00 (net of HST recoveries), payable in monthly installments for the Extended Term for a total fee of \$1,716,000.00 (plus HST), or \$1,746,201.60 (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. The cost centre to fund these expenses is HS100X.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>		
<b>Comments</b>	<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.</p> <p>The City is currently leasing the entire Property pursuant to the original signed Bulk Room Accommodation Licence Agreement dated April 18, 2020 (the "Licence") which was entered into under the authority of DAF Tracking No. 2020-108 dated April 18, 2020. Pursuant to the Licence, the City licenced the Property for a term of three (3) months commencing on April 19, 2020 and expiring on July 18, 2020 with an automatic month-to-month extension of up to a maximum of three (3) months. In lieu of the month-to-month options, the City is proposing to extend and amend the Licence in accordance with the terms set out in Appendix "A".</p> <p>The Property, comprised of 50 rooms in a 3-floor hotel building, will continue to be used as a hotel 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 a service provider(s) deemed appropriate by Shelter, Support &amp; Housing Administration ("SSHA").</p> <p>SSHA has approved this proposed Amending Agreement and confirmed that the amended terms and conditions 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 Amending Agreement to be fair and reasonable and reflective of market rates.</p>		
<b>Terms</b>	Refer to Appendix "A" for the terms and conditions of the Amending Agreement.		
<b>Property Details</b>	<b>Ward:</b>	13 – Toronto Centre	
	<b>Assessment Roll No.:</b>		
	<b>Approximate Size:</b>		
	<b>Approximate Area:</b>		
	<b>Other Information:</b>		

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/REOIs:	<input type="checkbox"/> Issuance of RFPs/REOIs.	<input type="checkbox"/> Issuance of RFPs/REOIs.
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, Agencies and Corporations:	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.
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.
	<b>Delegated to a more senior position.</b>	<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, as amended from time to time.
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/Estoppel Certificates	<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel 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 each position 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.
- 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:	Councillor Kristyn Wong-Tam					Councillor:					
Contact Name:						Contact Name:					
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail	Memo	Other	Contacted by:	Phone		E-mail	Memo	Other
Comments:	Notice sent – Aug 28, 2020					Comments:					

**Consultation with Divisions and/or Agencies**

Division:	Shelter, Support & Housing Administration	Division:	<b>Financial Planning</b>
Contact Name:	Sulaiman Safdar	Contact Name:	Patricia Libardo
Comments:	No objections – Aug 31, 2020	Comments:	No objections – Sept 1, 2020

**Legal Services Division Contact**

Contact Name:	<b>Shirley Chow</b>
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DAF Tracking No.: 2020-230	Date	Signature
Recommended by: Manager, Real Estate Services	Sept. 3, 2020	Signed by Daran Somas
Recommended by: Director, Real Estate Services	Sept. 4, 2020	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	Sept. 4, 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

**Appendix "A"**  
**Amended Major Terms and Conditions**

Licensor: La Mirage Lodging Corporation cob Econo Lodge Inn & Suites Downtown

Premises: 50 room units in the Econo Lodge Inn & Suites Downtown (including two (2) tables in the breakfast area on the main floor and the front lobby), at 335 Jarvis Street, Toronto.

Term Extension: In lieu of the month-to-month options provided for in the Licence, the term will be extended for nine (9) months and twelve (12) days commencing on July 19, 2020 and expiring on April 30, 2021 (the "Extended Term").

Early Termination: The City shall have the right to unilaterally terminate the Amending Agreement (in its entirety) upon not less than 45 days written notice of such termination to the Licensor provided that the effective date of such termination cannot be prior to January 1, 2021.

Room Rate: The gross room rate remains the same as in the Licence however the Licensor acknowledges and agrees that the City overpaid municipal accommodation tax (MAT) + HST for the period of April 19, 2020 to July 31, 2020. The Licensor agrees to reimburse the City for the overpayment.

Additional Services: Effective for the period commencing on May 16, 2020 and ending on July 31, 2020, the Licensor shall provide the laundry services at an additional cost of \$1.25 per pound in addition to the gross Room Rate, estimated to be approximately \$4,000 per month. As of August 1, 2020 and throughout the remainder of the Extended Term, the Licensor shall be responsible for all laundry service for all linens, at the Licensor's sole cost.

Restoration of the Premises: The City, at its sole discretion, shall be permitted to extend the 30 day restoration period for an additional period to a maximum of an additional 30 days upon providing the Licensor with no less than 30 days' prior written notice prior to the expiry of Extended Term.

Other Amendments:

(i) Occupancy - During the period of time when physical distancing obligations are mandated, guest rooms equipped with one bed shall have an occupancy limit of one person per room, and guest rooms equipped with two beds shall have an occupancy limit of two people per room provided that the applicable physical distancing obligation can be maintained

(ii) Fire and Life Safety Systems - The Licensor shall ensure all life safety systems and records are up to date and remain in compliance with the Ontario Fire Code, and the Licensor agrees to immediately notify the City if it becomes aware of any such non-compliance. In the event that occupancy approval is not granted, a Notice of Violation or Inspection Order is issued at any time by any governing body, including but not limited to Toronto Buildings and Toronto Fire Services, the City shall have the right to abate the gross Room Rate for the period of time during which the infraction exists and until all deficiencies are rectified. The abatement will only apply to the extent and for the duration that the City actually vacates the Premises and will not apply to that portion of the Premises that the City continues to use, and the abatement will not apply if the deficiency is caused by the City or its employees, servant, agents, service providers/community operators, consultants, contractors or shelter clients. The Licensor shall use its best efforts to ensure that any outstanding violation(s) is/are rectified in a timely manner.

(iii) Programming - The City shall be permitted to run programs for clients in the Property, provided the programs will be limited to clients residing in the Property, all programming activities being held in the breakfast room or within the meeting rooms, all chairs or tables required for such programs being provided by the City, and the number of clients for any program(s) to be limited by physical distancing obligations in accordance with the applicable legislations, by-laws or orders from any applicable municipal, provincial, or federal authority having jurisdiction.

Effective Date: The Amending Agreement shall have effect on July 19, 2020, unless otherwise provided herein.

Option to Extend: None.

All other existing terms and conditions of the Licence are to remain the same.

### Appendix "B" Location Map

