

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

TRACKING NO.: 2020-112

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:	Daran Somas	Division:	Corporate Real Estate Management
Date Prepared:	April 26, 2020	Phone No.:	(416) 397 7671

Purpose	To obtain authority for the City of Toronto (the "City"), as tenant, to enter into a lease (the "Lease") with Silver Hotel (Bond Place) Inc. (the "Landlord"), for the use of The Bond Hotel, located at 65 Dundas Street East, Toronto, for the purpose of a temporary shelter.
Property	285 room units at The Bond Hotel located at the property municipally known as 65 Dundas Street East, City of Toronto (the "Property") and on the Location Map in Appendix "B".
Actions	1. Authority be granted to enter into the Lease with the Landlord to lease the Property for a term of three (3) months commencing on April 29, 2020 and expiring on July 28, 2020, 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, Internal 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>1. Gross Rent: \$684,000.00 (plus HST and applicable hotel taxes) per month, or \$696,038.40 (net of HST recoveries), payable in monthly installments for three (3) months for a total gross rent for the term of \$2,074,800.00 (plus HST and applicable hotel taxes), or \$2,111,316.48 (net of HST recoveries).</p> <p>2. Lease Extension: If the term is extended for a maximum of three (3) additional months, the total fees for the entire six (6) month term will be \$4,172,400.00 (plus HST and applicable hotel taxes), or \$4,245,834.24 (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 285 rooms in a 18 floor hotel building. The Property will be used as a hotel to provide temporary accommodations for shelter clients to meet the needs of isolation and/or recovery of shelter clients and other shelter needs. The facility will be operated by a service provider(s) 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 an additional site to support isolation and recovery needs within the shelter system. Funding for this site, up to \$3.6M for three months, has been secured from the Toronto Central LHIN.</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:	
	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 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 checked="" 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:	Kristyn Wong-Tam					Councillor:			
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 & Housing Administration					Division:	Financial Planning		
Contact Name:	Justin Lewis					Contact Name:	Filisha Jenkins		
Comments:	Consent					Comments:	Consent		
Legal Division Contact									
Contact Name:	Shirley Chow								

DAF Tracking No.: 2020 - 112	Date	Signature
Recommended by: Manager, Real Estate Services: Daran Somas	April 26, 2020	Signed by Daran Somas
Recommended by: Director, Real Estate Services: Alison Folosea	April 26, 2020	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input type="checkbox"/> Approved by: Patrick Matozzo	April 20, 2020	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli	April 26, 2020	Signed by Josie Scioli

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:	Silver Hotel (Bond Place) Inc.
Premises:	285 room units in The Bond Hotel along with meeting rooms in B1 level (available after Landlord's storage requirements are met) (including the meeting rooms) at 65 Dundas Street East, Toronto
Gross Rent:	<p>\$80.00/room/night, being \$22,800.00 per day for 285 rooms or \$684,000.00 per month payable in monthly installments for the three month term.</p> <p>Gross rent is inclusive of realty taxes. The City reserves the right to seek tax relief for the portion of realty tax attributed in the gross rent.</p>
Additional Costs:	<p>1) All applicable hotel taxes; and</p> <p>2) All applicable HST.</p>
Term:	Three (3) months, commencing on April 29, 2020 until July 28, 2020. 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.
Extension Term:	The City shall be entitled to extend the Term, on a month-to-month basis, for a maximum of three (3) additional months, provided that the City provides 30 days' prior written notice to the Landlord.
Early Termination:	The City may terminate the Lease of the Premises with 10 days prior written notice to the Landlord after the initial term of 3 months.
Use:	The Premises shall be solely used for the purposes of a temporary shelter to meet the needs of physical distancing obligations, isolation or recovery of shelter clients or other shelter needs. The City may engage one or more third party service provider(s) to operate the Premises.
Tenant Obligations	The City will be responsible for security, biohazard waste disposal and related costs, custodial, housekeeping, laundry services for the rooms and provision of blankets and mattress protectors for all the beds within the hotel during the term, and all costs related to preparing the building for the City's use including labour and materials.
Landlord Obligations:	<p>The Premises will be provided in an "as-is" condition. The Landlord shall provide the City, and its Licenced Service Provider, with access to the Premises, on a 24/7 basis, for the duration of the Term. The Landlord will continue to manage the building with property management coverage at the front desk. The Landlord shall be solely responsible for the operation and maintenance of core operation obligations and building systems within the hotel including:</p> <ul style="list-style-type: none"> • electrical power for normal lighting used by the City and domestic hot and cold running water as required for the Permitted Use; • standard waste management services; • fire & life safety systems and related maintenance and monitoring; • elevator maintenance, repair and replacement; • routine pest control services. Unusual services, such as bed bug recovery would be paid by City; • building envelope and capital repairs; • HVAC system capabilities, limitations and maintenance activities on site; • Access to internet and Wi-Fi for the City's staff and staff of the City's third party service provider • Custodial services for hotel public washrooms and common areas outside the Premises including lobby, elevators, main entry and exterior.
Smoking	The Landlord acknowledges and agrees to permit certain rooms to be allocated as smoking rooms for clients. The City will remedy any smoking damages caused by the City occupancy of the Premises and will repair and/or replace any furniture, fixtures and equipment and other property damaged or effected by smoking.

- Additional Services** The Landlord will provide catering services consisting of 3 meals and 2 snacks for an additional charge of \$30/day/occupant plus HST.
- 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 \$10,000,000.00 in respect of each occurrence. The Landlord and applicable mortgagee are to be added as an additional insureds.
 - (b) \$1,000,000.00 for Automobile Liability.
 - (c) Any other form of insurance, in such amounts and against such risks, as Landlord or Landlords mortgagee may in its reasonable discretion require.
- Restoration:** The City shall within 30 days following the end of term, vacate the Premises and remove any property brought on the Premises by the City and return the Premises to a as close as is practicable, to its original condition immediately prior to the Commencement Date, normal wear and tear excepted, including full property disinfecting. The City shall pay any applicable Rent for the period of time required to complete restoration of the Premises.
- Assignment** The City shall have the right to assign this lease or sublet all or any part of the Premises, at any time and from time to time, to the Province of Ontario, provided prior written notice is given to the Landlord prior to such assignment.
- Option to Purchase:** The Landlord agrees to enter into discussions with the City regarding the potential sale of the Property to the City, including, as part of such discussion, the application of a portion of the Rent paid during the Term as a credit against the negotiated purchase price in favour of the City. The approval and completion of any sale is subject to final Council approval.

Appendix "B"

Location Map

