

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

TRACKING NO.: 2020-262

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 Bang Media (the " <b>Tenant</b> ") with respect to the property municipally known as 705 Progress Avenue, Unit 39, Toronto, which shall be used and shall continually be operated throughout the term for the offices of an advertising agency, and as warehousing for an online collectibles business (the " <b>Lease Agreement</b> ").
<b>Property</b>	The property municipally known as 705 Progress Avenue, Unit 39, 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 the Total revenues \$15,915.38 (plus HST), based on the total minimum rent from the lease agreement, is \$31,830.75 (plus HST) for the period of twenty-four (24) months commencing September 1, 2020 and ending August 31, 2022. The tenant is also responsible for paying additional rent which is revised each year based on the operating budget for the property. Additional rent comprises the tenant's pro rata share of the operating expenses defined under Section 1.1 (r) of the lease agreement. 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>	2,021 sq. ft.
	<b>Other Information:</b>	

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
2. Expropriations:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.
3. Issuance of RFPs/REOIs:	<b>Delegated to more senior positions.</b>	<input type="checkbox"/> Issuance of RFPs/REOIs.
4. Permanent Highway Closures:	<b>Delegated to more senior positions.</b>	<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:	<b>Delegated to more senior positions.</b>	<b>Delegated to more senior positions.</b>
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	<b>Delegated to more senior positions.</b>	<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 \$50,000.	<input type="checkbox"/> (a) Where total compensation (including options/ renewals) does not exceed \$1 Million.
	<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.	<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.
	<b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b>	<b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b>
10. Leases/Licences (City as Tenant/Licensee):	<input checked="" type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$50,000.	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$1 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million.
	<b>Delegated to more senior positions.</b>	<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 \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
13. Revisions to Council Decisions in Real Estate Matters:	<b>Delegated to more senior positions.</b>	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).
14. Miscellaneous:	<b>Delegated to more senior positions.</b>	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences
		<input type="checkbox"/> (b) Releases/Discharges
		<input type="checkbox"/> (c) Surrenders/Abandonments
		<input type="checkbox"/> (d) Enforcements/Terminations
		<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/ Acknowledgements/Estoppel Certificates
		<input type="checkbox"/> (f) Objections/Waivers/Cautions
		<input type="checkbox"/> (g) Notices of Lease and Sublease
		<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"/> (j) Documentation relating to Land Titles applications
		<input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds

**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.

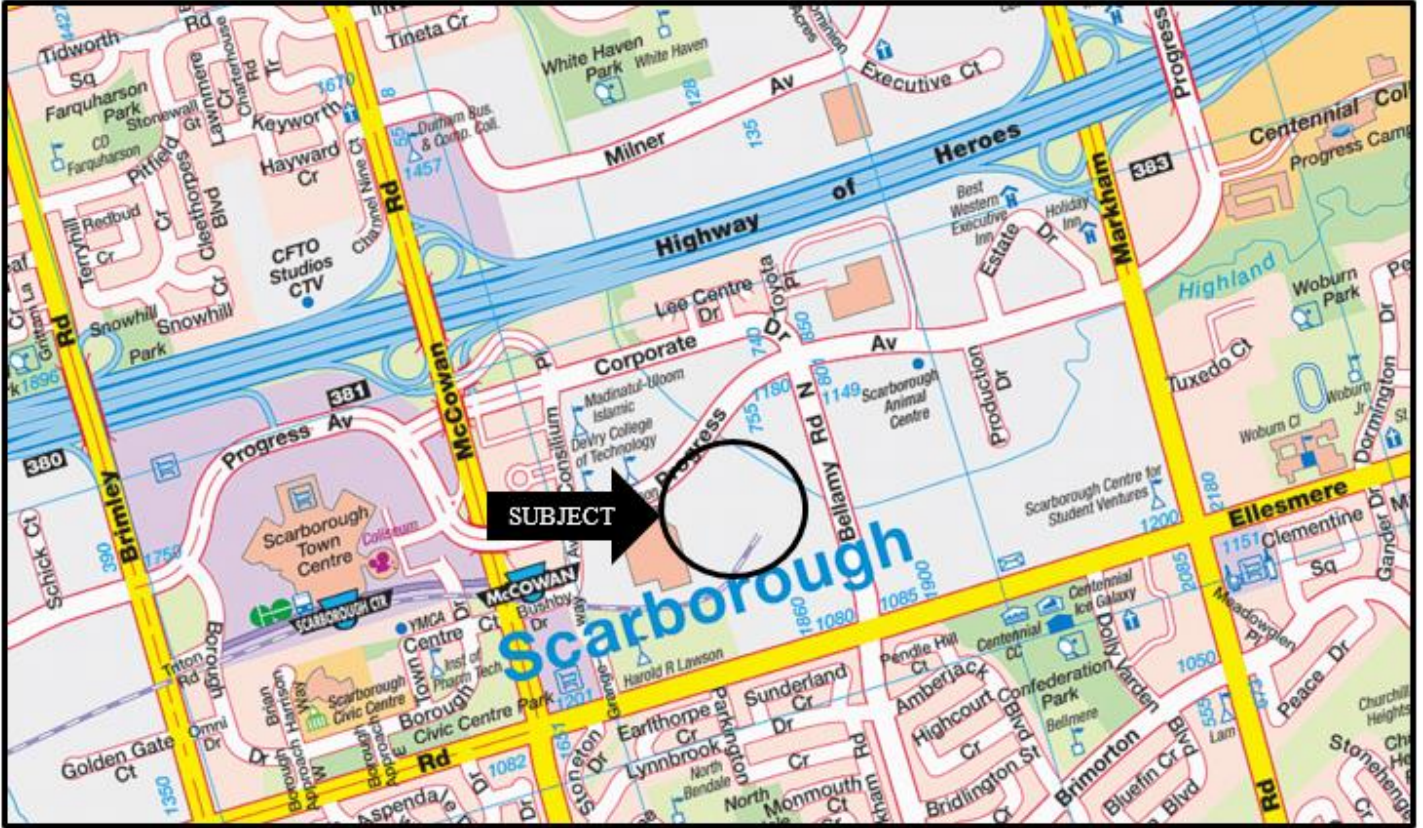
Pre-Condition to Approval	
<input checked="" type="checkbox"/>	Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property
Consultation with Councillor(s)	
Councillor:	Paul Ainslie
Contact Name:	
Contacted by:	Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	No Objection – May 19, 2020
Consultation with Divisions and/or Agencies	
Division:	Financial Planning
Contact Name:	Filisha Jenkins
Comments:	Concurred – May 5, 2020
Legal Services Division Contact	
Contact Name:	Gloria Lee – Comments Incorporated

DAF Tracking No.: 2020- 262	Date	Signature
Concurred with by: Manager, Real Estate Services		X
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Alex Schuler	July 27, 2020	Signed by Alex Schuler
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Graham Leah	July 29, 2020	Signed by Graham Leah

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

<b>Minimum Rent:</b>	Month 1-12      \$15,662.75 net of HST (\$7.75/ft <sup>2</sup> ) Month 13-24    \$16,168.00 net of HST (\$8.00/ft <sup>2</sup> )
<b>Additional Rent:</b>	\$6.07/ ft <sup>2</sup> for the year 2020.
<b>Area of Premises:</b>	2,021 ft <sup>2</sup> .
<b>Term:</b>	Two (2) years or Twenty-Four (24) months (September 1, 2020 – August 31, 2022).
<b>Use:</b>	The Premises shall be used and shall continually be operated throughout the term for the offices of an advertising agency, and as warehousing for an online collectibles business.
<b>Landlord's Work:</b>	N/A.
<b>Prepaid Rent</b>	First Month Rent = 0.00  Last Month Rent = \$2,677.67  Total = \$2,677.67
<b>Security Deposit:</b>	Last Month Rent = \$2,677.67
<b>Option to Renew:</b>	N/A.
<b>Termination Clause:</b>	Provided the Tenant's Lease is in good standing, the Tenant may deliver written notice to the Landlord that it wishes to exercise its option to terminate the Lease between September 1, 2020 and August 31, 2021. The Termination Notice shall specify the termination date (the "Termination Date") which shall be a minimum of three (3) months' notice to the Landlord.
<b>NSF Fee:</b>	\$40.00 per NSF cheque.
<b>Late Payment Charges:</b>	1.25% per month or 15% per annum.
<b>Payment:</b>	Tenant to provide Pre-Authorized Debit to the Landlord on or before the lease commencement.
<b>Truck Parking:</b>	One truck.
<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.

**Appendix B**  
**Property Location**



**Mudie**  
MANAGEMENT LTD.  
705 Progress Avenue, Unit 62  
Toronto, Ontario M1H 2X1  
Tel: (416) 450-3015 Fax: (416) 436-0016  
Email: mudie@progressave.com

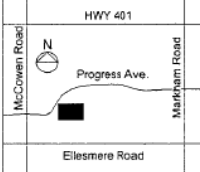
Version 1.0 November 2001

**705 Progress Ave.  
Scarborough On.  
M1H 2X1**  
Unit 39

Areas

**2,021 sq ft**

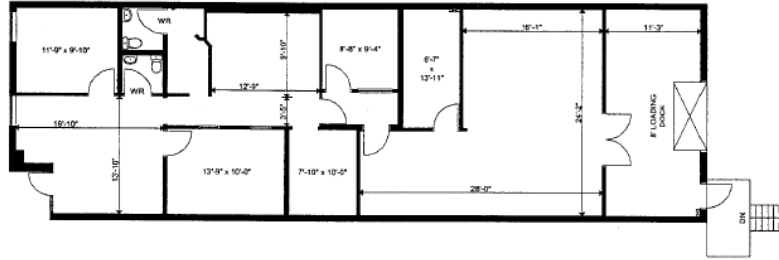
Location Map



Drawing Scale



prepared by:  
**extreme measures**  
Tel: 416-323-2858  
Fax: 416-323-9655  
mailto:info@extrememeasures.com  
www.extrememeasures.com



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