

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

TRACKING NO.: 2020-256

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

Purpose	To obtain authority to enter into a lease agreement with Gopalapillai Arudchelvan & Kopalapillai Arultheepan (the " Tenant ") with respect to the property municipally known as 705 Progress Avenue, Unit 11-12, Toronto for the purpose of office use and granite countertop manufacturing (the " Lease Agreement ").
Property	The property municipally known as 705 Progress Avenue, Unit 11-12, Toronto, as shown on the Location Map in Appendix " B " (the " Premises ").
Actions	1. Authority be granted to enter into the Lease Agreement with the Tenant, substantially on the major terms and conditions set out in Appendix " A ", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.
Financial Impact	705 Progress Avenue is a jointly owned facility between the City of Toronto and Toronto District School Board (collectively, the " Landlord "). 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). The City's portion of total revenues is \$28,336 based on the total minimum rent from the lease agreement of \$56,672.00 (plus HST) for the period of two (2) years, commencing on October 1, 2019 and ending on September 30, 2021. 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. The Tenant is also responsible for all other occupancy costs including water, gas, hydro, heating and air conditioning. The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.
Comments	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 " Board "). 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. The proposed rent and other major terms and conditions of the Lease Agreement are considered to be fair, reasonable and reflective of market rates.
Terms	See Appendix " A ".

Property Details	Ward:	24-Scarborough Guildwood
	Assessment Roll No.:	Part of 1901-05-2-810-04300
	Approximate Size:	
	Approximate Area:	4,048 ft ²
	Other Information:	

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/REOIs:</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/REOIs.</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
 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:	Financial Planning
Contact Name:		Contact Name:	Filisha Jenkins
Comments:		Comments:	May 5, 2020 - Concurred

Legal Services Division Contact

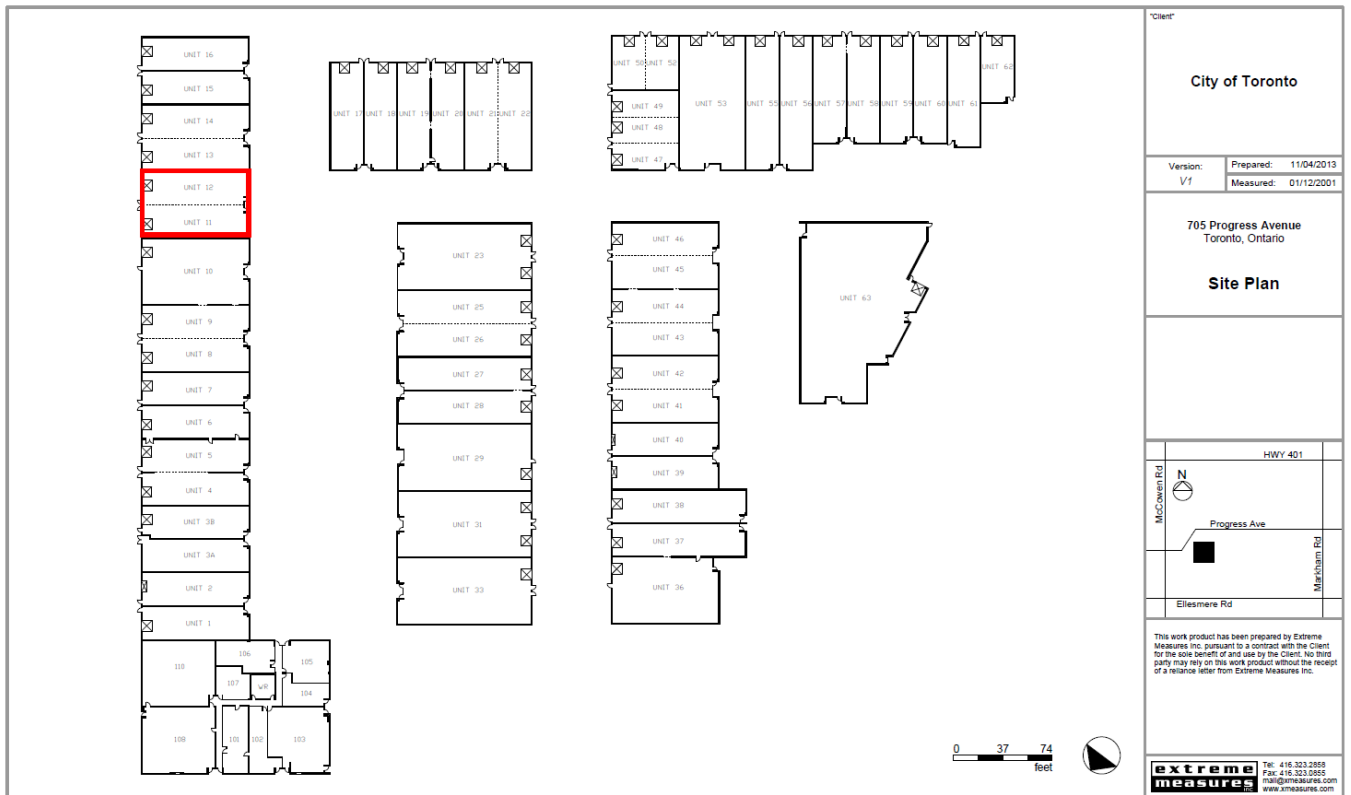
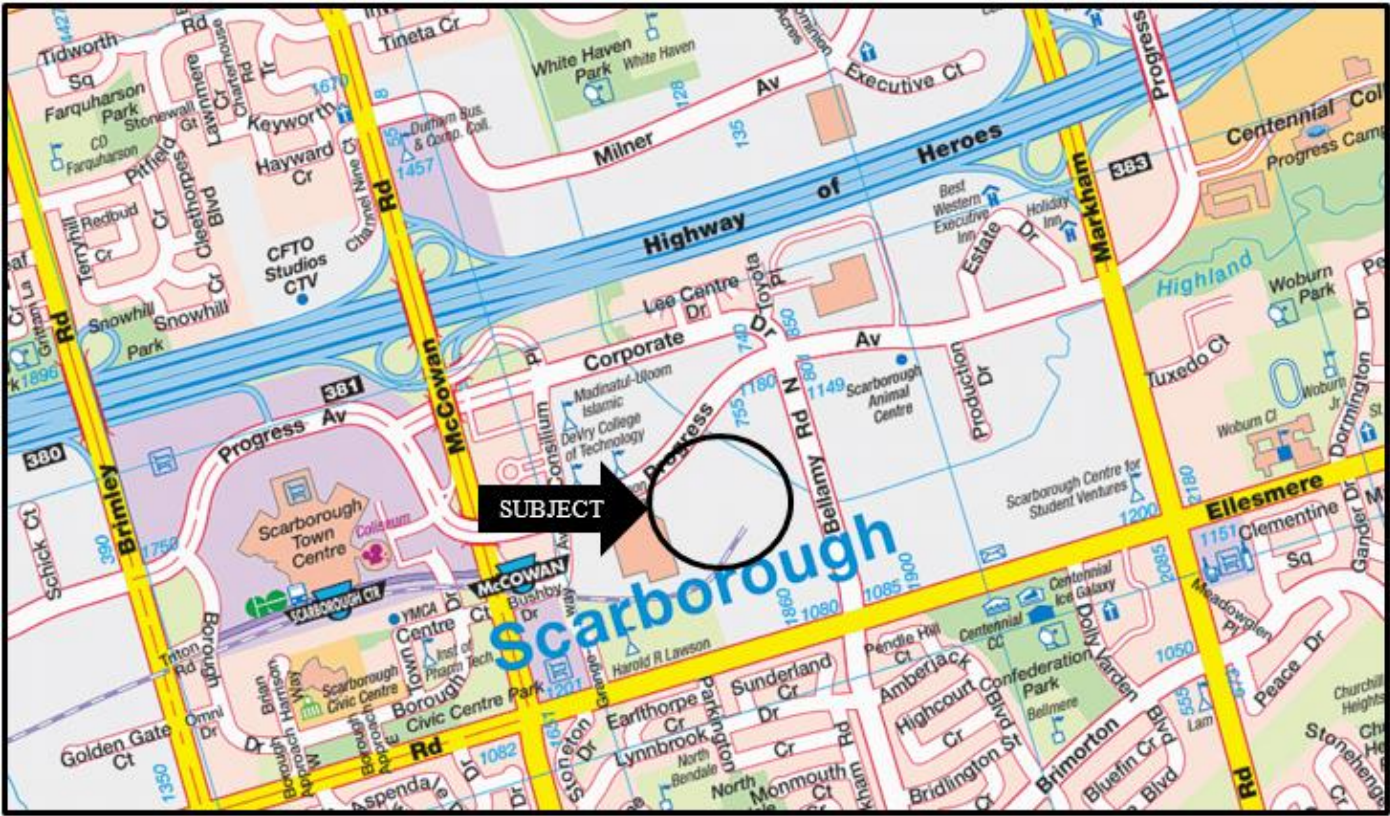
Contact Name:	Seija Molema – Comments incorporated
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DAF Tracking No.: 2020- 256	Date	Signature
Concurred with by: Manager, Real Estate Services		X
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Alex Schuler	July 27,2020	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

Minimum Rent:	\$56,672.00 (\$7.00/ft ²) net of HST.
Additional Rent:	Estimated \$5.78/ ft ² for 2019 and \$6.07/ ft ² for 2020.
Area of Premises:	4,048 ft ² .
Term:	Two (2) years (October 1, 2019 – September 30, 2021).
Use:	The Premises shall be used and shall continually be operated throughout the term for office use and granite countertop manufacturing.
Landlord's Work:	N/A.
Prepaid Rent:	First Months' Rent = N/A. Last Months' Rent = \$4,871.57 Total = \$4,871.57
Security Deposit:	N/A.
Option to Extend:	N/A.
Tenant's Early Termination:	Upon two (2) months' written notice.
Landlord's Early Termination	Upon six (6) months' written notice.
NSF Fee:	\$40.00 per NSF cheque.
Late Payment Charges:	1.25% per month or 15% per annum.
Payment:	Tenant to provide monthly post-dated cheques or arrange to pay the same by pre-authorized bank payment on or before the lease commencement.
Truck Parking:	The Tenant may park a maximum of one (1) vehicle (a trailer on its own will count as one (1) vehicle) at the rear door which belongs to the Premises, or as designated by the Landlord, in its sole discretion and from time to time. The Tenant's vehicle shall not block the fire lane and the length of the vehicle shall not exceed thirty (30) feet long. The Tenant shall not have any other vehicles on the Lands, parked or otherwise, which are directly or indirectly associated with the Permitted Use. The Tenant shall not park any vehicles at the front of the Premises.
Water Heater:	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.
Tenant Acknowledgement:	The Tenant acknowledges that portions of the Lands and Building are being used to provide shelter services. In addition to the release contained in Section 11.12 of the Lease Agreement, 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
Property Location**

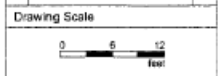


Mudie
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768 Progress Avenue, Unit 62
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e-mail: mudie@progress-mh.com

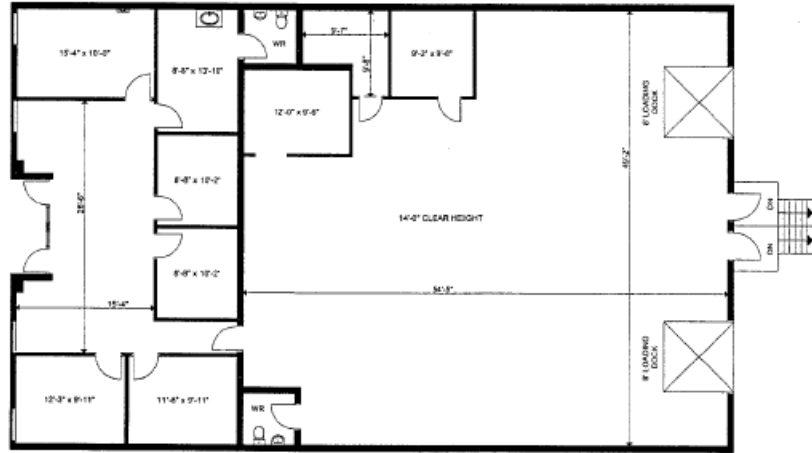
Version 1.0 | December 2001

**705 Progress Ave.
Scarborough On.
M1H 2X1
Unit 11-12**

Area
4,048 sq ft



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Measured Using
Laser Technology

