

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

TRACKING NO.: 2020-220

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

Prepared By:	Robin Chen	Division:	Corporate Real Estate Management
Date Prepared:	August 28, 2020	Phone No.:	416-392-1852

<b>Purpose</b>	To obtain authority to enter into a Lease Agreement (the "Lease") with The Bentway Conservancy (the "Tenant") with respect to a multi-use community space forming part of the integrated facility at Block 31, Railway Lands West (the "Facility"), and known municipally as 20 Brunel Court, Toronto.																																																																																								
<b>Property</b>	A portion of the property municipally known as 20 Brunel Court, Toronto, legally described as Part of Lot 20 on Index Plan D-970, designated as Parts 1, 2, 3 and 4 on Plan 66R- 27863, being part of PIN 21394-0006 (LT), all of PIN 21394-0075 (LT) and Part of PIN 21394-0135 (LT) City of Toronto (the "Property"), as shown on the Location Map in Appendix C.																																																																																								
<b>Actions</b>	1. Authority be granted to enter into the Lease with the Tenant, substantially on the terms and conditions outlined in Appendix B, and on such other or amended terms and conditions as may be satisfactory to the approving authority herein and in a form acceptable to the City Solicitor.																																																																																								
<b>Financial Impact</b>	<p>Total revenues to the City over the ten (10) year term of the lease agreement is \$1,030,511.04 (plus HST), based on gross rent of \$89,892.00 (plus HST) annually, with a 3% annual escalation rate. This gross rent is inclusive of the Tenant's proportionate share of property management fees and utility fees.</p> <p>In light of the current and anticipated ongoing impacts of COVID-19 on the operations and business model of the Tenant, the City will offer the Tenant a three (3) month rent-free fixturing period, followed by a three (3) month rent deferral period, with the deferred rent to be amortized over months four through eight, inclusive. The terms of the rent deferral are consistent with Corporate Real Estate Management's corporate-wide approach to COVID-19 related rent relief requests. The proposed gross rent and other major terms and conditions of the Lease are considered to be fair, reasonable and reflective of market rates.</p> <p>The following table reflects total revenues to be remitted to the City for each fiscal year of the initial term. All values are exclusive of HST:</p> <table border="1"> <thead> <tr> <th>Fiscal Year</th> <th>Term / Period</th> <th>Deferred Rent Revenue</th> <th>Amortized Rent Revenue</th> <th>Gross Rent Revenue</th> <th>Total Rent Revenue</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>Dec 2020</td> <td>\$7,491.00</td> <td></td> <td></td> <td></td> </tr> <tr> <td rowspan="3">2021</td> <td>Jan 2021 – Feb 2021</td> <td>\$14,982.00</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Mar 2021 – Jun 2021</td> <td></td> <td>\$22,473.00</td> <td>\$29,964.00</td> <td>\$52,437.00</td> </tr> <tr> <td>Jul 2021 – Dec 2021</td> <td></td> <td></td> <td>\$45,170.73</td> <td>\$45,170.73</td> </tr> <tr> <td>2022</td> <td>Jan 2022 – Dec 2022</td> <td></td> <td></td> <td>\$92,820.23</td> <td>\$92,820.23</td> </tr> <tr> <td>2023</td> <td>Jan 2023 – Dec 2023</td> <td></td> <td></td> <td>\$95,604.84</td> <td>\$95,604.84</td> </tr> <tr> <td>2024</td> <td>Jan 2024 – Dec 2024</td> <td></td> <td></td> <td>\$98,472.98</td> <td>\$98,472.98</td> </tr> <tr> <td>2025</td> <td>Jan 2025 – Dec 2025</td> <td></td> <td></td> <td>\$101,427.17</td> <td>\$101,427.17</td> </tr> <tr> <td>2026</td> <td>Jan 2026 – Dec 2026</td> <td></td> <td></td> <td>\$104,469.99</td> <td>\$104,469.99</td> </tr> <tr> <td>2027</td> <td>Jan 2027 – Dec 2027</td> <td></td> <td></td> <td>\$107,604.09</td> <td>\$107,604.09</td> </tr> <tr> <td>2028</td> <td>Jan 2028 – Dec 2028</td> <td></td> <td></td> <td>\$110,832.21</td> <td>\$110,832.21</td> </tr> <tr> <td>2029</td> <td>Jan 2029 – Dec 2029</td> <td></td> <td></td> <td>\$114,157.18</td> <td>\$114,157.18</td> </tr> <tr> <td>2030</td> <td>Jan 2030 – Nov 2030</td> <td></td> <td></td> <td>\$107,514.62</td> <td>\$107,514.62</td> </tr> <tr> <td colspan="5" style="text-align: center;"><b>Total Rent Revenue over Initial Term</b></td> <td><b>\$1,030,511.04</b></td> </tr> </tbody> </table>	Fiscal Year	Term / Period	Deferred Rent Revenue	Amortized Rent Revenue	Gross Rent Revenue	Total Rent Revenue	2020	Dec 2020	\$7,491.00				2021	Jan 2021 – Feb 2021	\$14,982.00				Mar 2021 – Jun 2021		\$22,473.00	\$29,964.00	\$52,437.00	Jul 2021 – Dec 2021			\$45,170.73	\$45,170.73	2022	Jan 2022 – Dec 2022			\$92,820.23	\$92,820.23	2023	Jan 2023 – Dec 2023			\$95,604.84	\$95,604.84	2024	Jan 2024 – Dec 2024			\$98,472.98	\$98,472.98	2025	Jan 2025 – Dec 2025			\$101,427.17	\$101,427.17	2026	Jan 2026 – Dec 2026			\$104,469.99	\$104,469.99	2027	Jan 2027 – Dec 2027			\$107,604.09	\$107,604.09	2028	Jan 2028 – Dec 2028			\$110,832.21	\$110,832.21	2029	Jan 2029 – Dec 2029			\$114,157.18	\$114,157.18	2030	Jan 2030 – Nov 2030			\$107,514.62	\$107,514.62	<b>Total Rent Revenue over Initial Term</b>					<b>\$1,030,511.04</b>
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<b>Comments</b>	<p>The total estimated value of the optional Extended Term of the agreement is \$1,344,583.17, exclusive of HST, bringing the total value of the agreement to \$2,375,094.21.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p> <p>See Appendix A.</p>																																																																																								
<b>Terms</b>	See Appendix B.																																																																																								

<b>Property Details</b>	<b>Ward:</b>	10 – Spadina-Fort York
	<b>Assessment Roll No.:</b>	1904-06-2-051-00300
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	7207 square feet
	<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/REOs:	<input type="checkbox"/> Issuance of RFPs/REOs.	<input type="checkbox"/> Issuance of RFPs/REOs.
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 checked="" type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 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. <b>Delegated to a more senior position.</b>	<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"/> (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 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"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.	<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.
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"/> (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	<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. 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:	<b>Joe Cressy</b>				Councillor:	
Contact Name:	Brent Gilliard (08/04/2020)				Contact Name:	
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo	
					Other	
Comments:	<ul style="list-style-type: none"> <li>• No objections with recommendation</li> <li>• Does not require the matter to be determined by Council</li> </ul>				Comments:	

**Consultation with Divisions and/or Agencies**

Division:	<b>Parks, Forestry &amp; Recreation</b>	Division:	<b>Financial Planning</b>
Contact Name:	Christina Iacovino	Contact Name:	Filisha Jenkins, Patricia Libardo and Lauren Birch
Comments:	Reviewed and concurs (07/27/2020)	Comments:	Incorporated (08/20/2020)

**Legal Services Division Contact**

Contact Name: **Jack Payne (08/10/2020)**

DAF Tracking No.: 2020-220	Date	Signature
Recommended by: Manager, Real Estate Services, Melanie Hale-Carter	Aug. 28, 2020	Signed by Melanie Hale-Carter
Recommended by: Director, Real Estate Services, Alison Folosea	Sept. 2, 2020	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input checked="" type="checkbox"/> Approved by: Patrick Matozzo	Sept. 2, 2020	Signed by Patrick Matozzo
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli		X

## **Appendix A - Additional Comments**

The newly-constructed Facility is home to a new PFR Community Recreation Centre as well as TDSB and TCDSB elementary schools. The City has or will enter into Leases and a Shared Facilities Agreement with the TDSB and the TCDSB for the operation of their schools, as well as a Lease with a Child Care Centre operator, The Neighbourhood Group.

The multi-use community space to be leased to the Tenant is comprised of approximately 7207 square feet of space split over 3 storeys, and forms part of the north wing of the Facility, as shown on the sketches attached as Appendix D (the "Premises"). In addition to the Premises, the Tenant shall be granted, through the Agreement, a non-exclusive licence over the outdoor areas shown in Appendix E (the "Outdoor Licenced Area").

Rental payments will be received by the Parks, Forestry & Recreation Division, who will be responsible for all operating costs associated with the Premises, including the Tenant's proportionate share of property management fees and other costs associated with the Shared Facilities Agreement between the City, the TDSB and the TCDSB with respect to the Facility.

Realty Taxes will be the sole responsibility of the Tenant. However, the City has initiated an application for a Municipal Capital Facility ("MCF") designation for the Premises on the basis of the Tenant's status as a non-profit organization providing community services on site. If City Council passes a by-law for such an MCF designation, the City will enter into an MCF Agreement with the Tenant and pass the full benefit of any realty tax exemption to the Tenant.

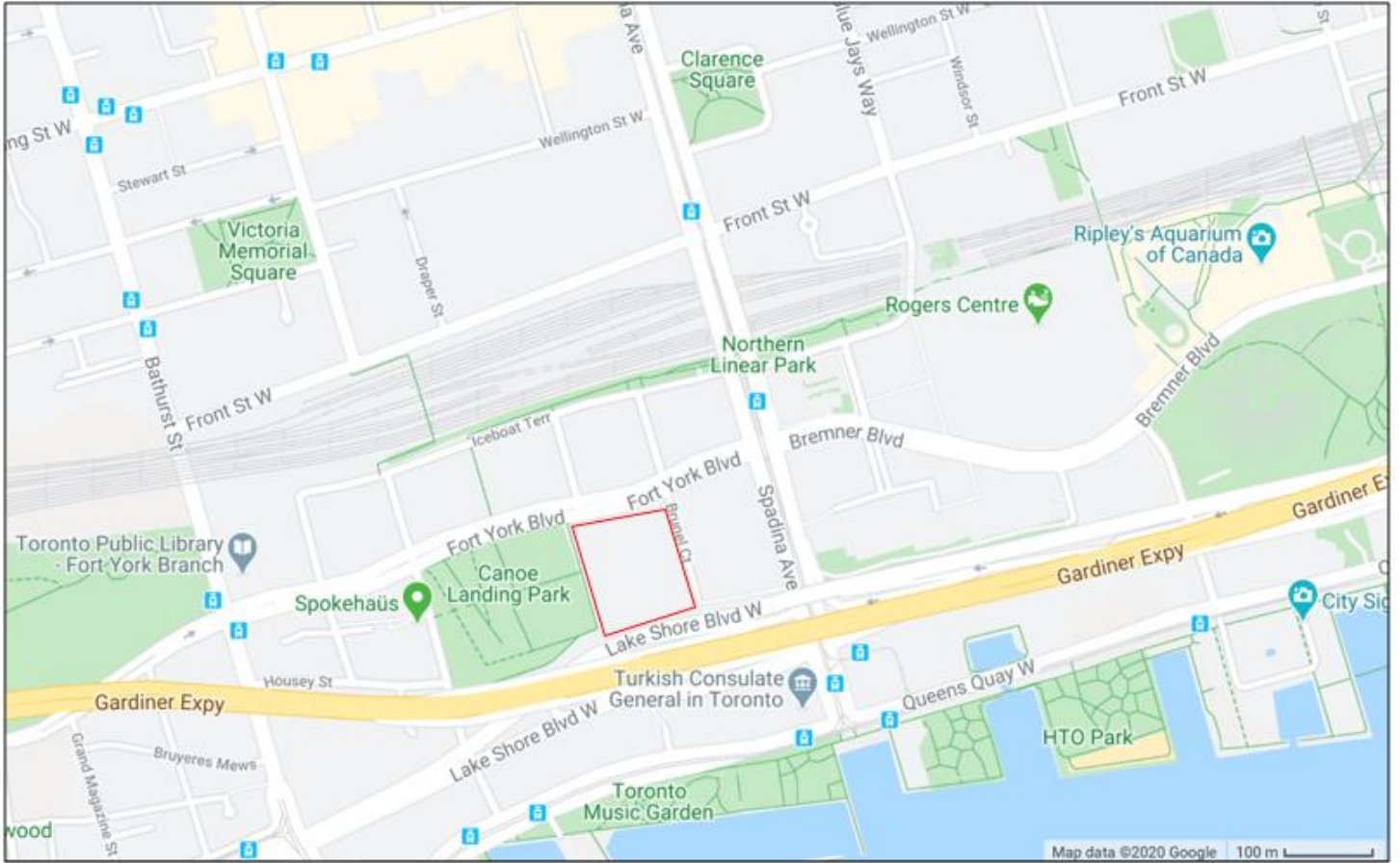
In consideration of the impacts of COVID-19 on the program model of the Tenant, which relies on philanthropic donations and events that bring people together in physical spaces as key sources of revenue, the Tenant has been offered a 3-month rent deferral period, with the deferred rent to be amortized over months four through eight, inclusive. This deferral period will allow the Tenant to focus on adapting their program model to the 'new normal' in a new space. The terms of the rent deferral are consistent with Corporate Real Estate Management's corporate-wide approach to COVID-19 related rent relief requests.

## Appendix B - Terms and Conditions

Tenant	The Bentway Conservancy
Landlord	City of Toronto
Premises	The multi-use community space forming part of the north wing of the Facility located at 20 Brunel Court, Toronto, Ontario
Term Length	10 Years, commencing on December 1, 2020.
Area of Premises	7,207 sq.ft. approx.
Non-Exclusive Licence Area (Outdoor Area)	6,868 sq.ft. approx.
Gross Rent	<p>For Year 1 of the Term: eighty-nine thousand, eight hundred ninety-two dollars (\$89,892.00).</p> <p>For each of Years 2 through 10 of the Term, inclusive: an amount equal to one hundred and three percent (103%) of the Gross Rent payable by the Conservancy for the immediately preceding Year.</p>
Possession Date	September 3, 2020
Fixturing Period	From the Possession Date through November 30, 2020, inclusive, for the purposes of fixturing, modifying, preparing and occupying the Premises for the Conservancy's day-to-day business. All terms of the Lease (or Offer to Lease, if Lease not yet signed) shall be applicable during the Fixturing Period save for the payment of Gross Rent.
Rent Deferral	The Gross Rent payable by the Tenant for months one through three, inclusive, of Year 1 of the Term shall not be paid in advance, but rather such Gross Rent shall be amortized over months four through eight, inclusive.
Extended Term	<p>Option to extend for a further period of the lesser of: (i) the remainder of the term of Bentway Use Agreement dated June 28, 2018 between the City and the Conservancy; and (ii) 10 years.</p> <p>Extended Term on the same terms and conditions as the Term, save and except that there shall be no Deferred Rent and no further right to extend.</p> <p>Gross Rent for the Extended Term will be equal to the then current market gross rental for similar premises in the vicinity of the Premises, provided that in no event will such amount be less than the Gross Rent payable in the last year of the initial Term. This rental rate shall escalate annually at a rate of 3%.</p>

Realty Taxes	The Tenant shall pay all realty taxes in respect of the Premises, in addition to Gross Rent. If Council passes a municipal capital facility by-law for a realty tax exemption, the City shall enter into a Municipal Capital Facility Agreement and pass the full benefit of such exemption on to the Tenant.
Custodial	The Premises shall not be included in the custodial agreement to be entered into for the remainder of the Facility by the property manager, and the Conservancy Tenant shall be responsible for providing all custodial services for the Premises, at its sole expense, which expense shall not be included in the Gross Rent.
Use of Premises	The Tenant shall use the Premises and the Outdoor Licensed Area solely as a not for profit community space. The Tenant is permitted to use the Premises and Outdoor Licensed Area for certain ancillary revenue generating uses and Third Party Private Events (as defined below).
Steering Committee	<p>The parties to the Lease shall form a Steering Committee that meets biannually, or as required, to monitor the ongoing operations of the Lease and will serve to:</p> <ul style="list-style-type: none"> <li>i. Maximize opportunities for collaboration and coordination of programming;</li> <li>ii. Address any operational or facility-based issues;</li> <li>iii. Address any issues regarding scheduling of the Outdoor Licenced Area; and</li> <li>iv. Address any other operational or programming-related concerns that may arise from time to time.</li> </ul> <p>The Steering Committee will include representatives from the City's Parks, Forestry &amp; Recreation Division.</p>
Tenant's Work	The City shall provide the Premises in a base building condition. The Tenant shall construct, at its own cost, all leasehold improvements and undertake any other work necessary for its permitted use. The Tenant shall provide the City with completed "as built" drawings.
Naming Rights	The Tenant shall have the right to name components of the Premises in connection with its charitable, philanthropic, and sponsorship activities, subject to the prior written approval of the General Manager, Parks, Forestry & Recreation and Toronto City Council. Until the City seeks an exemption to the City of Toronto Individual and Corporate Naming Rights Policy, the Tenant shall at all times comply with the Policy.
Assignment / Subletting / Sublicensing	The Tenant shall not assign, sublease, sublicense or share possession of all or any part of the Premises, or mortgage, charge or otherwise encumber the Lease without the prior written consent of the City. Notwithstanding the foregoing, the Tenant has the right, on up to twenty-five (25) separate occasions during each calendar year, to sublicense all or part of the Premises and the Outdoor Licenced Area, for short-term private events that are closed to the public and organized and delivered by third parties who are either individuals or for-profit business entities ("Third Party Private Events").
Parking	The Tenant has the use of one parking spot in the Facility's parking garage, at no extra cost.
Not for Profit	If, at any time: (i) the Tenant ceases to be an incorporated and existing not-for-profit corporation; (ii) the Tenant's Use Agreement is terminated; or (iii) the Tenant ceases to manage and operate The Bentway, the City may terminate the Lease.
Early Termination	At any time, the City and the Tenant each have the right to terminate the Lease on at least 365 calendar days' written notice.

### Appendix C – Location



# Appendix D - Leased Premises





**Appendix E - Outdoor Licence Area**

