

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

**TRACKING NO.: 2020-283**

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

Prepared By:	Avery Carr	Division:	Corporate Real Estate Management
Date Prepared:	October 6, 2020	Phone No.:	647-458-1934

<b>Purpose</b>	To obtain authority for the City of Toronto (the "City"), as tenant, to enter into a lease extension (the "Lease Extension Agreement") with 8056935 Canada Inc. (the "Landlord"), for the continued use of room units at Royal Oak Inn, located at 376 Dundas Street East, Toronto, for the purpose of a temporary shelter.
<b>Property</b>	25 room units at The Royal Oak Inn located at the property municipally known as 376 Dundas Street East, City of Toronto (the "Property") as shown on the Location Map in Appendix "B".
<b>Actions</b>	1. Authority be granted to enter into the Lease Extension Agreement with the Landlord to lease the Property for a term of six (6) months commencing on November 1, 2020 and expiring on April 30, 2021, 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 Executive Director, Corporate Real Estate Management ("Executive Director of CREM") 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 Lease:</p> <p>1. Gross Rent: \$58,125.00 (plus HST and applicable hotel taxes) per month, or \$59,148.00 (net of HST recoveries), payable in monthly installments for six (6) months for a total gross rent for the term of \$348,750.00 (plus HST and applicable hotel taxes), or \$354,888.00 (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. Costs will be funded from cost centre HS100X. Future year expenditures will be included as part of the 2021 budget submission.</p> <p>The Chief Financial Officer and Treasurer has been provided the financial impacts associated with the program identified in this DAF for review as part of the 2021 budget process.</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. By an Offer to Lease dated May 26, 2020 (the "Lease"), the City leased the Property from the Landlord for a term commencing on April 24, 2020 and expiring on July 31, 2020. The Lease provided for automatic renewal for a period of 3 months, expiring on October 31, 2020. The Property consists of 25 rooms in a 2 floor hotel, comprising the entirety of the hotel rooms in the building, together with non-exclusive right to use the common areas of the building. The Property will continue to 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 continue to be operated by Toronto Council Fire.</p> <p>The major terms and conditions as outlined in Appendix "A" remain the same as the terms of the original Lease. SSHA has approved this proposed Lease Extension Agreement 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 Extension Agreement to be fair and reasonable and reflective of market rates.</p>
<b>Terms</b>	Refer to Appendix "A" for the Terms and Conditions

<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.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services has approval authority for:
<p>1. Acquisitions:</p> <p>2A. Expropriations Where City is Expropriating Authority:</p> <p>2B. Expropriations For Transit-Related Purposes Where City is Property Owner or Has Interest in Property Being Expropriated:</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 &amp; Parks &amp; Open Space Areas of Official Plan:</p> <p>9. Leases/Licences (City as Landlord/Licensors):</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><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></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><b>Delegated to more senior positions.</b></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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></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><b>Delegated to more senior positions.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></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"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p><input type="checkbox"/> Issuance of RFPs/REOIs.</p> <p><input type="checkbox"/> Initiate process &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><b>Delegated to more senior positions.</b></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 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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></p> <p><input checked="" 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:	Kristyn Wong-Tam	Councillor:		
Contact Name:		Contact Name:		
Contacted by:	Phone	E-Mail	Memo	Other
Comments:		Comments:		

**Consultation with Divisions and/or Agencies**

Division:	Shelter, Support & Housing Administration	Division:	<b>Financial Planning</b>
Contact Name:	Loretta Ramadhin	Contact Name:	Patricia Libardo
Comments:	No concerns (Oct 6, 2020)	Comments:	Comments incorporated (Oct 13, 2020)

**Legal Services Division Contact**

Contact Name: Soo Kim Lee (Oct 6, 2020)

DAF Tracking No.: 2020- 283	Date	Signature
<input type="checkbox"/> Recommended by: <b>Manager, Real Estate Services</b> <b>Daran Somas</b> <input type="checkbox"/> Approved by:	<b>October 22, 2020</b>	Signed by Daran Somas
<input type="checkbox"/> Approved by: <b>Director, Real Estate Services</b> <b>Alison Folosea</b>	<b>October 27, 2020</b>	Signed by Alison Folosea

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

Landlord:	8056935 Canada Inc.
Premises:	25 room units in The Royal Oak Inn at 376 Dundas Street East, Toronto
Gross Rent:	<p>\$75.00/room/night, being \$1,875.00 per day for 25 rooms or \$58,125.00 per month payable in monthly installments for the six 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>
Extension Term:	Six (6) months, commencing on November 1, 2020 and expiring on April 30, 2021.
Early Termination:	At any time during the Term, either the Landlord or the City may terminate the Lease with 30 days prior written notice to the other party.
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 from a licensed security provider, 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.</p> <p>The Landlord shall provide the City, and its service provider(s)/community operator(s), with uninterrupted access to the Premises, on a 24/7 basis, for the duration of the Term, including the restoration period described below. The Landlord shall provide access keys for the Premises in advance of the Term.</p> <p>The Landlord shall be solely responsible for the operation and maintenance of core operating obligations and building systems within the Hotel, including the provision of the following:</p> <ul style="list-style-type: none"> <li>• power for normal lighting used by the City and domestic hot and cold running water as required for the Permitted Use</li> <li>• waste management services</li> <li>• fire &amp; life safety systems and related maintenance and monitoring, including:             <ol style="list-style-type: none"> <li>1. Building Fire Safety Plan document</li> <li>2. Annual Inspection Reports for:                 <ul style="list-style-type: none"> <li>• Fire Alarm system</li> <li>• Emergency Lighting / Generator</li> <li>• Fire Extinguishers</li> <li>• Standpipe Hose system (if applicable)</li> <li>• Sprinkler system (if applicable)</li> <li>• Kitchen Suppression system (if applicable)</li> </ul> </li> </ol> </li> <li>• elevator maintenance and replacement</li> <li>• pest control services</li> <li>• building envelope and capital repairs</li> <li>• HVAC system capabilities, limitations and maintenance activities on site</li> </ul> <p>The Landlord will provide a property manager at the Hotel or on call to assist with any building operations or system inquiries. The Landlord will provide all necessary personal protective equipment</p>

The Landlord will provide the following services

- House cleaning services pertaining to the change in occupant
- Room Cleaning occurring every week

Additional Services

The Landlord will provide Catering service of a basic menu and snack options that provide variety and nutritional value for each occupant consisting of 3 meals and 2 snacks, for a charge of **\$30/day/occupant** (exclusive of HST). Beverages will be provided in the above cost.

Insurance:

The City will maintain:

The City will provide a \$2,000,000.00 for Commercial General Liability and \$1,000,000.00 for Automobile Liability

# Appendix "B"

## Location Map

