

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

TRACKING NO.: 2020-249

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

Prepared By:	Myron Menezes	Division:	Corporate Real Estate Management
Date Prepared:	October 13, 2020	Phone No.:	(416) 338-3586

Purpose	To obtain authority for the City of Toronto (the "City"), as tenant, to enter into a lease extension and amending agreement (the "Lease") with Timbercreek Four Quadrant GP 2 INC., as general partner for Timbercreek 4Q Commercial Value-ADD LP (GTA) (the "Landlord"), for the use of the premises referred to as "98 The Esplanade" located at 98 The Esplanade, Toronto for the purpose of a temporary shelter.																
Property	The entire premises referred to as "98 The Esplanade" being freehold lands (formerly known as the Fitness Clubs premises), and located at 98 The Esplanade (being part of 71 Front St. East), City of Toronto (the "Property") and on the Location Map in Appendix "B".																
Actions	1. <i>Authority be granted to enter into a Lease extension and amending agreement with the Landlord to extend the lease of the Property for a further term of four (4) months and twenty six (26) days commencing on September 5, 2020 and expiring January 31, 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 approving authority herein, and in a form acceptable to the City Solicitor.</i>																
Financial Impact	<p>The following costs will be incurred by the City in connection with the Lease for the extension term:</p> <p>1. Basic Rent: nominal consideration (\$0 HST inclusive) for the entire four (4) month and twenty six (26) day extension term of the lease agreement.</p> <p>2. Additional Rent: Total additional rent for the four (4) month and twenty six (26) day extension term is estimated at \$70,945.51 (plus HST), or \$72,194.15 (net of HST recoveries).</p> <table border="1" data-bbox="500 898 1365 1083"> <thead> <tr> <th>Fiscal Year</th> <th>Term / Period</th> <th>Total Expenditures (plus HST)</th> <th>Total Expenditures (net of HST recoveries)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>Sep 5, 2020 - Dec 31, 2020</td> <td>\$56,332.01</td> <td>\$57,323.46</td> </tr> <tr> <td>2021</td> <td>Jan 1, 2021 - Jan 31, 2021</td> <td>\$14,613.49</td> <td>\$14,870.69</td> </tr> <tr> <td>Total</td> <td>Sep 5, 2020 - Jan 31, 2021</td> <td>\$ 70,945.51</td> <td>\$ 72,194.15</td> </tr> </tbody> </table> <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. The costs will be funded from cost centre HS100X</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial implications as identified in the Financial Impact section.</p>	Fiscal Year	Term / Period	Total Expenditures (plus HST)	Total Expenditures (net of HST recoveries)	2020	Sep 5, 2020 - Dec 31, 2020	\$56,332.01	\$57,323.46	2021	Jan 1, 2021 - Jan 31, 2021	\$14,613.49	\$14,870.69	Total	Sep 5, 2020 - Jan 31, 2021	\$ 70,945.51	\$ 72,194.15
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Total	Sep 5, 2020 - Jan 31, 2021	\$ 70,945.51	\$ 72,194.15														
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. As a component of SSHA's emergency response efforts to the COVID-19 pandemic, SSHA had received SLT approval to activate 975 open space beds to support physical distancing, isolation and recovery needs within the shelter system. This location comprised and continue to comprise a portion of such 975 open space beds.</p> <p>The Property will continue to consist of all the rooms, offices, mezzanines and open spaces in the building. The Property will continue to be used to provide temporary accommodations for shelter clients to meet the needs of physical distancing obligations, isolation and/or recovery of shelter clients and other shelter needs. The facility will continue to be operated by St. Felix, a service provider deemed appropriate by SSHA.</p> <p>SSHA has approved the proposed Lease extension 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	<i>Refer to Appendix "A" for the Terms and Conditions.</i>																

Property Details	Ward:	13 – Toronto Centre
	Assessment Roll No.:	19040641600010100000
	Approximate Size:	
	Approximate Area:	Lot area: 1242 m2 ± (13,366 ft2 ±)
	Other Information:	Pin: 214000003

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 & Parks & 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>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"/> (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 & 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 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 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:	Edward LaRusic	Contact Name:	
Contacted by:	Phone <input type="checkbox"/> X 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:	Notified – October 9, 2020	Comments:	

Consultation with Divisions and/or Agencies

Division:	Shelter, Support & Housing Administration	Division:	Financial Planning
Contact Name:	Loretta Ramadhin	Contact Name:	Patricia Libardo
Comments:	Consent – September 16, 2020	Comments:	Consent – October 2, 2020

Legal Services Division Contact

Contact Name:	Soo Kim Lee
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DAF Tracking No.: 2020- 249	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas	October 14, 2020	Signed by Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	October 19, 2020	Signed by Alison Folosea

Appendix "A" Major Terms and Conditions

Landlord:	Timbercreek Four Quadrant GP 2 INC., as general partner for Timbercreek 4Q Commercial Value-ADD LP (GTA)
Premises:	Entirety of "98 The Esplanade" being freehold lands (formerly known as the Fitness Clubs premises), and located at 98 The Esplanade (being part of 71 Front St. East, Toronto).
Basic Rent:	nominal (\$0 per month HST inclusive) for the four month and twenty six day term.
Additional Rent:	estimated at \$14,613.49 per month plus HST (calculated at \$13.12/ft ² per year) paid per Landlord's monthly invoice for the three month and twenty six day extension term. The City reserves the right to seek tax relief for the portion of realty tax attributed in the Additional Rent.
Additional Costs:	<ol style="list-style-type: none"> 1) All applicable HST. 2) Utilities 3) Garbage room common area charges (based on proportionate share per ft² of all shared users) 4) Garbage Disposal (based on proportionate share per ft² of all shared users)
Extension Term:	Four (4) months and twenty six (26) days, commencing on September 5, 2020 and expiring January 31, 2021.
Further Option to Extend:	No further options to extend at this time.
Early Termination:	At any time, the City may terminate the Lease with thirty (30) days prior written notice to the other party.
Use:	The Premises shall continue to be used solely for the purposes of a temporary shelter, including but not limited, to meeting the needs of physical distancing obligations, isolation or recovery of clients of the City's service providers/community operators, or such other shelter needs of the City. The City may continue to engage one or more third party service providers/community operators to operate the Premises in accordance with the Lease. The Landlord continues to make no representation or warranty as to the suitability of the Premises for such use or whether such use is permitted by applicable laws. The City confirms that it has satisfied itself in all respects as to the suitability of the Premises for its intended use. SSHA staff has confirmed with City Planning and Toronto Building that the Use is permitted.
City Obligations	<p>The City shall be solely responsible for the operation of the Permitted Use within the Premises, coordinating and responsible for house cleaning, and janitorial services and catering. The City shall be responsible for providing the following services</p> <ul style="list-style-type: none"> • All security and supervision of the Premises. The City shall continue to retain security services from a licensed security provider which shall provide security on a 24 hour / 7 day per week basis. The City shall continue to make best efforts to ensure that clients do not enter any common areas of the adjacent condominium building and shall continue to make best efforts to ensure that the City's use does not cause any nuisance or disturbance to any occupants of the adjacent condominium building (the City will continue to have access to and use of the Landlord's existing security system); • public health and other support services; • custodial, housekeeping and laundry services for the Premises, including provision of soap and shampoo, as needed; • abide by the reasonable rules for use set by the adjacent Condominium Corporation in connection with the use any shared common facilities (such as the loading dock and garbage room). • properly dispose of all garbage and other waste in accordance with all applicable laws and best practices. • Maintenance of the interior of the Premises. • The City will continue to be responsible for any damages to the Property or additional costs incurred by the Landlord as a result of the City's occupancy of the Premises, save and except for damage or costs arising from, caused by, or attributable to the Landlord's negligent acts or omissions, and provided that the Landlord immediately reports any damages that it becomes aware of to the City (it being agreed the Landlord has no obligation to monitor for such)
Landlord Obligations:	The Premises will be provided in an "as-is" condition. The Landlord shall provide the City, and its Licenced Service Provider, with uninterrupted access to the Premises, on a 24/7 basis, for the duration of the Term (subject to force majeure events and emergencies related to force majeure events, that may impact such access). The Landlord shall provide access keys for the Premises in advance of the Term.

The Landlord shall be solely responsible for the operation and maintenance of core operating obligations and building systems within the premises, including the provision of the following:

- electrical power for normal lighting used by the City and domestic hot and cold running water as required for the Permitted Use.
- provide waste management services (shared with adjacent condo building) to the City, with the City paying its proportionate share of such costs.
- fire & life safety systems and related maintenance and monitoring; including provision of the following:
 - Building Fire Safety Plan document
 - Annual inspection reports for:
 - fire alarm system
 - emergency lighting/generator
 - fire extinguishers
 - standpipe hose system (if applicable)
 - sprinkler system (if applicable)
 - kitchen suppression system (if applicable)
- elevator maintenance and replacement (if applicable)
- pest control services
- building envelope and capital repairs
- HVAC system capabilities, limitations and maintenance activities on site

The Landlord will provide a contact person to be on call to assist with any building operations or system inquiries. The Landlord will provide all necessary personal protective equipment for any of its staff and contractors/sub-contractors that come onto the Premises.

The Landlord will provide the following services

- Utilities (all utilities costs shall be paid by the City)
- Structural Repairs

Save and except only for major capital costs and costs of structural repairs or replacements, all costs of carrying out all items that are the Landlord's Responsibilities shall be paid by the City to the Landlord or directly to the provider, as Additional Rent herein.

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 \$5,000,000.00 in respect of each occurrence. The Landlord and its lender are to be added as an additional insureds.
- (b) \$1,000,000.00 for Automobile Liability.

Tenant Work:

The City shall be permitted to install temporary/non-permanent equipment or property throughout the Premises as required by the Permitted Use, including sharps disposal units, heating and fire alarm covers and laundry machines. The City shall ensure that any installations are removed from the Premises following the end of the Term and the affected area properly repaired and restored to a similar condition that existed on the Commencement Date. At the City's option, the City may remove fixtures/finishes as deemed necessary such as glass shower doors and flooring, mirrors on the walls and glass railings. Glass railing that are removed shall be replaced with appropriate materials, to ensure public safety.

End of term:

The City shall, within 30 days following the end of the Term, vacate the Premises and remove any property of any kind brought on the Premises by the City, in accordance with the terms herein, and leave the Premises in a clean, broom swept condition, to the Landlord's reasonable satisfaction.

Additional Provisions:

No Smoking – The building interior is provided on a no smoking basis. Smoking is not permitted on the premises.

Appendix "B"

Location Map

