

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

TRACKING NO.: 2020-244

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

Prepared By:	Patricia Chen	Division:	Corporate Real Estate Management
Date Prepared:	September 16, 2020	Phone No.:	(416) 338 3583

Purpose	To obtain authority for the City of Toronto (the "City"), as sublicensee, to enter into a sublicense amendment and extension (the "Amending Agreement") with Silver (Hotel Victoria) Inc. o/a Hotel Victoria (the "Sublicensor"), for the use of Hotel Victoria, located at 56 Yonge Street, Toronto (the "Hotel"), for the purpose of a temporary shelter.
Property	56 room units at Hotel Victoria located at the property municipally known as 56 Yonge Street, City of Toronto (the "Property") and on the Location Map in Appendix "B".
Actions	1. Authority be granted to enter into the Amending Agreement for a term of seven (7) months commencing on October 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 approving authority herein, and in a form acceptable to the City Solicitor
Financial Impact	<p>The following costs will be incurred by the City in connection with the Amending Agreement:</p> <p>The room rates will continue to be charged to the City at a rate of \$100/room (plus HST). The monthly gross licence fee will be approximately \$168,000.00 (plus HST), or \$170,956.80 (net of HST Recoveries), payable in monthly installments for a total gross licence fee of \$1,187,200.00 (plus HST), or \$1,208,094.72 (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. 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>
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.</p> <p>The City is currently sublicensing the entire Property pursuant to the original signed sublicense proposal letter dated May 28, 2020 (the "Offer") which was entered into under the authority of DAF Tracking No. 2020-129 dated May 31, 2020. Pursuant to the Offer, the City sublicensed the Property for a term of three (3) months commencing on June 1, 2020 and expiring on August 31, 2020, with three (3) consecutive month-to-month options to extend for a total of three additional months. The City exercised the first monthly option to extend by a letter dated July 28, 2020, with the current term expiring on September 30, 2020. The Offer, as amended by the letter dated July 28, 2020, is collectively referred to as the "Sublicence". In lieu of the second (2nd) and third (3rd) monthly options to extend provided for in the Sublicence, the City is proposing to extend and amend the Offer in accordance with the terms set out in Appendix "A".</p> <p>The Property consists of 56 rooms in an 8-floor hotel building. The Property will continue be used as a hotel to provide temporary accommodations for shelter clients to meet the needs of physical distancing, isolation and/or recovery of shelter clients and other shelter needs. The facility will be operated by a service provider(s) deemed appropriate by SSHA.</p> <p>SSHA has approved this proposed Amending Agreement and confirmed that the amended terms and conditions 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 Amending Agreement to be fair and reasonable and reflective of market rates.</p>
Terms	Refer to Appendix "A" for the amendments to the applicable terms and conditions of the Amending Agreement.

Property Details	Ward:	13 – Toronto Centre
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	
	Other Information:	

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"/> (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"/> (b) Where compensation is less than market value, for periods not exceeding twelve (12) months, including licences for environmental assessments and/or testing, etc.
	Delegated to a more senior position.	<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"/> (a) Where total compensation does not exceed \$5 Million.
	<input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.	<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"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences
	<input type="checkbox"/> (b) Releases/Discharges	<input type="checkbox"/> (b) Releases/Discharges
	<input type="checkbox"/> (c) Surrenders/Abandonments	<input type="checkbox"/> (c) Surrenders/Abandonments
	<input type="checkbox"/> (d) Enforcements/Terminations	<input type="checkbox"/> (d) Enforcements/Terminations
	<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates	<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates
	<input type="checkbox"/> (f) Objections/Waivers/Cautions	<input type="checkbox"/> (f) Objections/Waivers/Cautions
	<input type="checkbox"/> (g) Notices of Lease and Sublease	<input type="checkbox"/> (g) Notices of Lease and Sublease
	<input type="checkbox"/> (h) Consent to regulatory applications by City, as owner	<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"/> (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"/> (j) Documentation relating to Land Titles applications
	<input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds	<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:
<ul style="list-style-type: none"> • 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:	Councillor Kristyn Wong-Tam	Councillor:	
Contact Name:		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:	Notice sent – Sept 17 th , 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:	No objections – Sept 18 th , 2020	Comments:	No objections – Sept 23 rd , 2020

Legal Services Division Contact

Contact Name: Shirley Chow

DAF Tracking No.: 2020-244	Date	Signature
Recommended by: Manager, Real Estate Services, Daran Somas	Oct. 15, 2020	Signed by Daran Somas
Recommended by: Director, Real Estate Services, Alison Folosea	Oct. 16, 2020	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input checked="" type="checkbox"/> Approved by: Patrick Matozzo	Oct. 16, 2020	Signed by Patrick Matozzo
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli		X

Appendix "A" Amended Major Terms and Conditions

Sublicensor: Silver (Hotel Victoria) Inc. o/a Hotel Victoria

Premises: 56 room units in Hotel Victoria at 56 Yonge Street, Toronto. The Premises comprise the entirety of the room units in Hotel Victoria, together with the non-exclusive right to use the common area and facilities; save and except the restaurant space on the main floor.

Gross Licence Fee: \$100.00/room/night, being \$5,600.00 (plus HST) as the daily cost or \$168,000.00 per month, payable in monthly installments. Gross licence fee is inclusive of realty taxes. The City reserves the right to seek tax relief for the portion of realty tax attributed in the gross licence fees.

Term Extension: In lieu of the second (2nd) and third (3rd) monthly options to extend provided for in the Sublicence, the term will be extended for seven (7) months, commencing on October 1, 2020 and ending on April 30, 2021

Early Termination: the Sublicensor and the City shall both relinquish any previous early termination rights

Other Amendments:

(i) Clientele Change - The parties acknowledge that the Sublicensor is agreeing to extend this Sublicence for the Second Extended Term, with the expectation that the City will be replacing the current clientele at the Property by December 1, 2020 with a clientele of older adults and senior clients, who are of a lower-risk of causing a disturbance or nuisance to the Property and the local business owners, failing which the Sublicensor will have the right to terminate this Sublicence upon providing no less than 30 days' prior written notice to the City. If the City has replaced the current clientele as noted above by December 1, 2020, the Sublicensor shall have no further right to terminate this Sublicence. Except as provided above, neither the Sublicensor nor the City shall have any right to terminate during the Second Extended Term.

(ii) Occupancy - Provided that the physical distancing obligations are being maintained, the City shall be permitted to place occupants into rooms in accordance with the Hotel's current approved fire safety plans and/or in accordance with the number of persons ordinarily permitted to occupy a room based on the type of room, as the case may be.

(iii) Fire and Life Safety Systems - The Sublicensor shall be responsible for the provision of the fire & life safety systems and related maintenance and monitoring, including provision of the following: (i) Hotel Fire Safety Plan document and (ii) Inspection reports for all Fire and Life Safety Systems as required by the Ontario Fire Code.

The Sublicensor shall ensure all life safety systems and records are up to date and remain in compliance with the Ontario Fire Code, and the Sublicensor agrees to immediately notify the City if it becomes aware of any such non-compliance. In the event that occupancy approval is not granted, a Notice of Violation or Inspection Order is issued at any time by any governing body, including but not limited to Toronto Buildings and Toronto Fire Services, the City shall have the right to abate the Gross Licence Fee for the period of time during which the infraction exists and until all deficiencies are rectified. The abatement will only apply to the extent and for the duration that the City actually vacates the Premises and will not apply to that portion of the Premises that the City continues to use, and the abatement will not apply if the deficiency is caused by the City or its employees, servant, agents, service providers/community operators, consultants, contractors or shelter clients. The Sublicensor shall use its best efforts to ensure that any outstanding violation(s) is/are rectified in a timely manner.

(iv) Elevator Maintenance, Repair, and Replacement – The Sublicensor will retain an elevator service agreement to ensure elevator issues are addressed on a timely basis. In the event that any of the elevators are not operational, the City shall notify the Sublicensor. Should all elevators be out of service for an extended period of time, preventing the City from using rooms on upper floors that would be difficult to access by stairs, the Sublicensor and the City will review and mutually agree on an abatement of the Gross Licence Fee, if appropriate. The abatement will only apply to the extent and for the duration that the City is prevented from using the rooms leased, and the abatement will not apply if the deficiency is caused by the City or its employees, servant, agents, service providers/community operators, consultants, contractors or shelter clients (a "City Deficiency"). Normal wear and tear shall not be considered a City Deficiency. The Sublicensor shall use its best efforts to ensure that any deficiency(ies) is/are rectified in a timely manner.

(v) Restoration of Premises – After the end of the Term, the City will determine the City's estimated cost to restore the Premises, and the City will have the option of restoring the Premises or paying out the Sublicensor the cost to restore the Premises in lieu of restoring the Premise, provided that in the latter case, the Sublicensor is agreeable to accepting the payout amount. In the event that the City wishes to make payment to the Sublicensor in lieu of restoring the Premises, the City will notify the Sublicensor of the City's estimated cost to restore the Premises, and the Sublicensor may elect to be paid out the amount of restoration obligations as per the City's estimate (the "Restoration Costs"), in lieu of the City fulfilling its restoration obligations pursuant to this Section. The Sublicensor will notify the City within two (2) business days of receipt of

the Restoration Costs whether or not the Sublicensor elects to be paid out Restoration Costs. In the event that the Sublicensor fails to notify the City of the Sublicensor's election within the said two (2) business days, the Sublicensor's right to elect shall be null and void, and the City shall proceed to restore the Premises as set out in this Section. If the Sublicensor elects not to accept the Restoration Costs, the City shall be required to restore the Premises as set out in this Section. The City shall not be required to pay the applicable Gross Licence Fee for the period of time required to complete the restoration of the Premises during the said two (2) business day election period.

(vi) Catering Service – Catering service of a basic menu and snack options that provide variety and nutritional value in accordance with the Canada's Food Guide for each occupant consisting of 3 meals and 2 snacks, for an additional charge of \$30/day/occupant (exclusive of HST). The City will be responsible for delivering the food to the occupants.

The Sublicensor's meal service provider shall provide the City with a weekly menu in advance of each week, subject to reasonable substitutions and accommodations as may be required by the City. For greater clarity, the Sublicensor's meal service provider shall accommodate the occupant's dietary restrictions for health or religious reasons and accommodate any changes to the menu, within reason and cost parameters, requested by the City at no additional cost to the City.

The Sublicensor can terminate the catering service upon 30 days' prior written notice to the City.

Effective Date: Amendment shall have effect on the date that it is fully executed by both parties, except as otherwise set out herein.

Option to Extend: None

All other existing terms and conditions of the Sublicence are to remain the same.

Appendix "B" Location Map

