

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

TRACKING NO.: 2020-302

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

Prepared By:	Rafael Gutierrez	Division:	Corporate Real Estate Management
Date Prepared:	October 28, 2020	Phone No.:	416-338-2995

Purpose To obtain authority for the City of Toronto (the "**City**"), on behalf of the Toronto Transit Commission (the "**TTC**"), to enter into an unconditional lease proposal and lease amending and extension agreement (the "**Agreements**") with 1920/1944 Davisville Centre Inc. (the "**Landlord**"), by its agent, Colliers International, for a rentable area of approximately 14,723 square feet of office space at the property located at Suite #600, 1920 Yonge Street, Toronto, Ontario (the "**Premises**").

Property The property municipally known as Suite #600, 1920 Yonge Street, Toronto, Ontario, legally described as being part of Pt Lots 8,9 & 10 Plan 284 Parts 1,2,3,4,5,6,7 & 8 66R29359; together with an easement over Parts 9-24 66R29359 as in AT4795207; together with an easement over Parts 9,12,13,14,15,16,17,18,19,20,23 66R29359 as in AT4795207; subject to an easement over Parts 4,5,6 66R29359 in favour of Parts 9-24 66R29359 as in AT4795207; subject to an easement in favour of Parts 9-24 66R29359 as in AT4795207; City of Toronto; being part of PIN: 21182-0254 (LT) in the Land Registry Office of Toronto (No. 66) in Land Titles Division. (Appendix "A").

Actions 1. Authority be granted to the City to enter into the Agreements with the Landlord for the Premises, substantially on the terms and conditions set out below and including such other or amended terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.

Financial Impact The City will pay a total sum of \$1,646,002.08 (plus HST), or \$1,674,971.72 (net of HST recoveries), for the initial three (3) year term. If the City exercises its option to extend for a further two (2) year term, the City could potentially pay an additional sum of \$1,144,504.32 (plus HST), or \$1,164,647.60 (net of HST recoveries). The total potential cost to the City is \$2,790,506.40 (plus HST), or \$2,839,619.31 (net of HST recoveries). Annual costs (net of HST recoveries) to the City is as follows:

Fiscal Year	Period	No. of Months	Excluding HST		Net of HST recoveries (additional 1.76%)
			Monthly Rate	Total Rent per Period	Total Rent per Period
2020	Nov. 1, 2020 to Dec. 31, 2020	2	\$ 43,764.12	\$ 87,528.24	\$ 89,068.74
2021	Jan. 1, 2021 to Oct. 31, 2021	10	\$ 43,764.12	\$ 437,641.20	\$ 445,343.69
	Nov. 1, 2021 to Dec. 31, 2021	2	\$ 45,715.04	\$ 91,430.08	\$ 93,039.25
2022	Jan. 1, 2022 to Oct. 31, 2022	10	\$ 45,715.04	\$ 457,150.40	\$ 465,196.25
	Nov. 1, 2022 to Dec. 31, 2022	2	\$ 47,687.68	\$ 95,375.36	\$ 97,053.97
2023	Jan. 1, 2023 to Oct. 31, 2023	10	\$ 47,687.68	\$ 476,876.80	\$ 485,269.83
Initial Three (3) Year Term - Subtotal				\$ 1,646,002.08	\$ 1,674,971.72
2023	Nov. 1, 2023 to Dec. 31, 2023	2	\$ 47,687.68	\$ 95,375.36	\$ 97,053.97
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2025	Jan. 1, 2025 to Oct. 31, 2025	10	\$ 47,687.68	\$ 476,876.80	\$ 485,269.83
Extension Term - Subtotal				\$ 1,144,504.32	\$ 1,164,647.60
TOTAL				\$ 2,790,506.40	\$ 2,839,619.31

Funding is available in the 2020 Council Approved Operating Budget for Toronto Transit Commission (TTC) under cost center 9999. Future year expenditures will be referred to the City's annual budget process and will be included as part of the 2021 and future year budget submissions.

Comments The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this program for review as part of the 2021 budget process. TTC requires continued use of the two office spaces they occupy at 1920 Yonge Street, one on the fifth floor and one on the sixth floor. A separate Delegated Approval Form will be executed for the office located on the sixth floor. Since the options from the current agreements do not grant three (3) year extensions, an amendment is required. As such, Corporate Real Estate Management must execute this Agreement. Corporate Real Estate Management staff have determined these rates to be fair market value. ModernTO has no objections with this renewal.

Terms See Page 4.

Property Details	Ward:	12 – Toronto-St. Paul's
	Assessment Roll No.:	19 04 114 020 015 41
	Approximate Size:	N/A
	Approximate Area:	1,367.81 m ² ± (14,723 ft ²)
	Other Information:	N/A

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate 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/REOs:</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 \$3 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p>Request/waive hearings of necessity delegated to less senior positions.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 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 \$3 Million.</p> <p><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.</p> <p>Delegated to a more senior position.</p> <p><input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$3 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 \$3 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>	<p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p>Request/waive hearings of necessity delegated to less senior positions.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 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 \$5 Million.</p> <p><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.</p> <p><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.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$5 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 \$5 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; 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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:	Josh Matlow	Councillor:	
Contact Name:	Andrew Athanasiu	Contact Name:	
Contacted by:	<input type="checkbox"/> Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other	Contacted by:	<input type="checkbox"/> Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other
Comments:	Concurs (October 20, 2020)	Comments:	

Consultation with Divisions and/or Agencies

Division:	Toronto Transit Commission	Division:	Financial Planning
Contact Name:	Gary Downie	Contact Name:	Patricia Libardo
Comments:	Concurs (October 28, 2020)	Comments:	Concurs (October 17, 2020)

Legal Services Division Contact

Contact Name: Dale Mellor & Aiden Alexio

DAF Tracking No.: 2020-302	Date	Signature
Recommended by: Manager, Real Estate Services, Daran Somas	October 28, 2020	Signed by Daran Somas
Recommended by: Director, Real Estate Services, Alison Folosea	October 29, 2020	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input checked="" type="checkbox"/> Approved by: Patrick Matozzo	October 30, 2020	Signed by Patrick Matozzo
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli		X

Major Terms and Conditions

Landlord: 1920/1944 Davisville Centre Inc.

Tenant: City of Toronto

Leased Premises: Approximately 14,723 square feet of office space at the property located at Suite #600, 1920 Yonge Street, Toronto, Ontario.

Lease Term: Three (3) years

Commencement Date: November 1, 2020

Expiry Date: October 31, 2023

Use: Office

Basic Rent and Additional Rent:

			Excluding HST		Net of HST recoveries (additional 1.76%)
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Option to Extend: Provided the Tenant is not in default in any of its obligations under the terms of the Agreement, the Tenant shall have the option to extend for one (1) further term of two (2) years. Such extension to be on the same terms and conditions as the Agreements except for Rent, which will be the then fair market rent (as defined in the lease) and there shall be no leasehold allowance, fixturing period, Landlord's work or other inducements will apply for the extension term.

TTC as City Agent: The TTC as an agent of the Tenant, can undertake and fulfill any obligations, covenants, or requirements of the City arising in respect of this Agreement, subject to certain limitations.

**Appendix "A" – Site Map, Aerial Map
Suite #600, 1920 Yonge Street, Toronto, Ontario**

