

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

TRACKING NO.: 2020-217

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

Prepared By:	Blendian Stefani	Division:	Corporate Real Estate Management
Date Prepared:	November 3, 2020	Phone No.:	(416) 397-7481

Purpose To obtain authority for the City to enter into a further lease amending agreement with The Independent Order of Foresters, to allow for the continued lease, by the City, of the office space on the 9th floor of 789 Don Mills Road.

Property 789 Don Mills Road, (9th Floor), Toronto Ontario, M3C 1T9 (See Appendix "A")

Actions 1. Authority be granted to allow the City to enter into a Lease Amending Agreement, as tenant, with The Independent Order of Foresters, as landlord ("Landlord"), to allow for the continued lease by the City of the office space on the 9th floor of 789 Don Mills Road (the "Leased Premises") subject to the terms and conditions outlined in Appendix "B" attached hereto and on such other terms and conditions as may be satisfactory to the Executive Director, Corporate Real Estate Management and in a form acceptable to the City Solicitor.

Financial Impact The total cost to the City, for the three (3) year term, will be approximately \$1,145,000.84 (net of HST recoveries), or \$1,125,197.36 (plus HST) of which \$519,384.31 (net of HST recoveries) relates to basic rent and \$625,616.52 (net of HST recoveries) for additional rent. There are no additional costs to the transaction. The table below reflects the total rent expenditures to the City for each fiscal year.

Fiscal Year	Period	Basic Rent (net of HST recoveries)	Additional Rent (net of HST recoveries)	Total Rent (net of HST recoveries)	Total Rent (plus HST)
2020	Nov 2020 - Dec 2020	28,213.47	34,138.30	62,351.77	61,273.36
2021	Jan 2021 - Dec 2021	169,922.03	205,444.27	375,366.30	368,874.12
2022	Jan 2022 - Dec 2022	173,769.32	209,142.27	382,911.59	376,288.90
2023	Jan 2023 - Oct 2023	147,479.50	176,891.68	324,371.18	318,760.99
Total		\$ 519,384.31	\$ 625,616.52	\$ 1,145,000.84	\$ 1,125,197.36

Comments Funding is included in the 2020 Council Approved Operating Budget for Social Development, Finance and Administration ("SDFA") and will be included in future Operating Budget submissions for Council consideration. The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information. The City initially entered into a Lease of the Leased Premises with the Landlord, for a term of five (5) years commencing November 1, 2003 and expiring October 31, 2008. The City subsequently entered into a Lease Extension Agreement, dated November 1, 2008 for a further term of four (4) years expiring October 31, 2012. A further Lease Extension Agreement, dated November 1, 2012 was entered into for a term of five (5) years expiring October 31, 2017 and most recently the Lease was further extended by a Lease Amending Agreement with the Landlord dated August 1, 2017 for the period November 1, 2017 to October 31, 2020.

The Lease stipulates that the notice to exercise the renewal option must be given to the Landlord at least nine (9) months, but not more than twelve (12) months prior to the expiry of the Term (i.e. October 31, 2020). Pursuant to the notice clause, CREM, after consultations with CreateTO exercised its option to renew on January 14, 2020 subject to negotiating the basic rent. Despite the successful negotiation of the basic rent (resulting in savings of over \$11,000) the Landlord denied our request for a modification of the lease term or the inclusion of an early termination clause sought to allow for the possibility that the employees working at the leased premises could be relocated before the end of the term if suitable alternate City-space could be found through the efforts of ModernTO.

Terms Major terms and conditions of the Agreement are set out in Appendix "B" of this form.

Property Details	Ward:	16 – Don Valley East
	Assessment Roll No.:	1908 10 1 230 00100
	Approximate Size:	30.4 m x 46.3 m ± (99 ft x 152 ft ±)
	Approximate Area:	1,405 m ² ± (15,123 ft ² ±)
	Other Information:	Office space.

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; 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. 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:	Denzil Minnan-Wong	Councillor:	
Contact Name:	Helen Han	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:	No objections (e-mail July 8, 2020)	Comments:	

Consultation with Divisions and/or Agencies

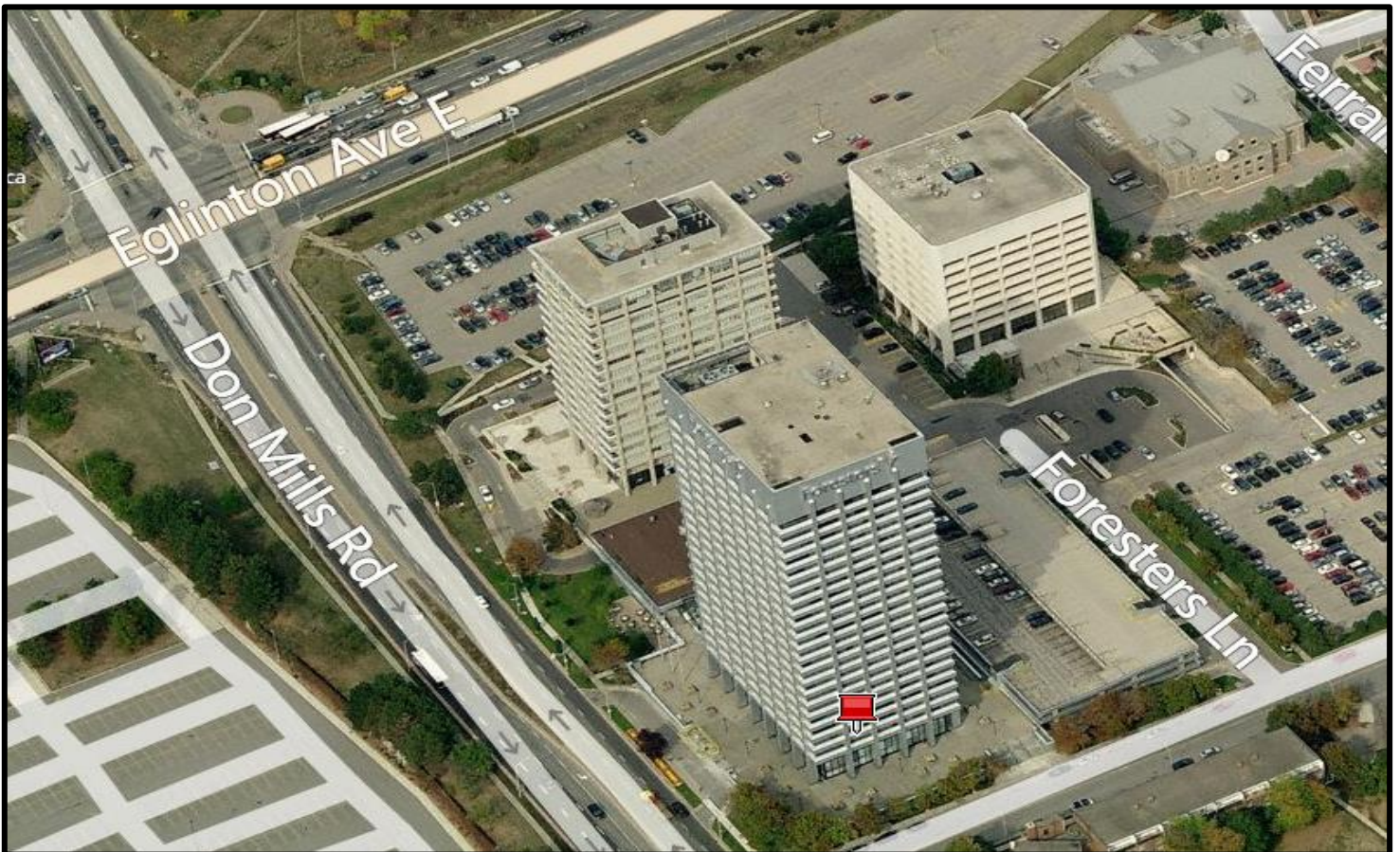
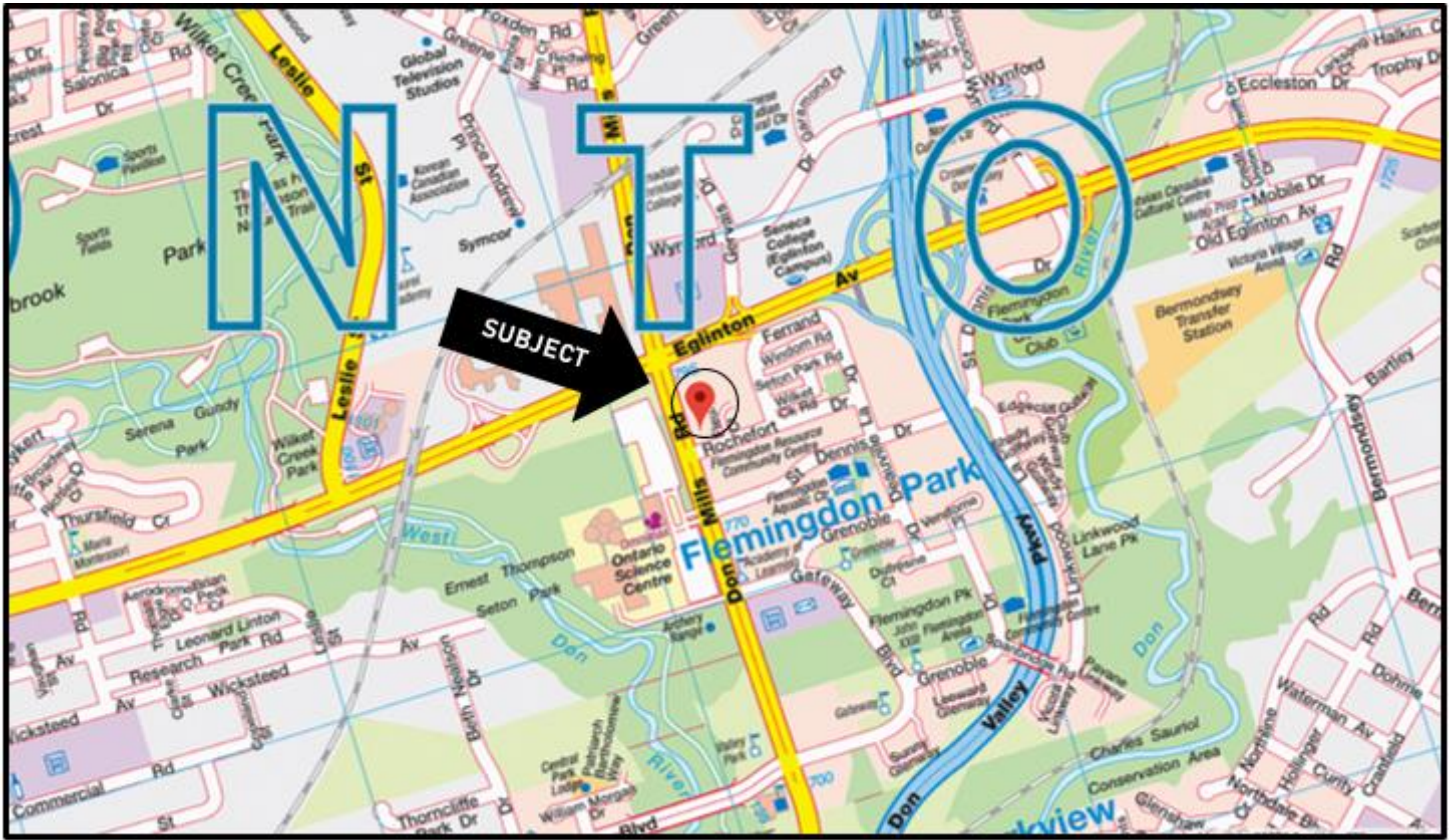
Division:	Social Development, Finance & Administration (SDFa)	Division:	Financial Planning
Contact Name:	Jocelyn Hollman	Contact Name:	Alan Cohen
Comments:	Concurs (e-mail July 30, 2020)	Comments:	Concurs (e-mail August 5, 2020)

Legal Services Division Contact

Contact Name: Michele Desimone (last reviewed October 21, 2020)

DAF Tracking No.: 2020-217	Date	Signature
Recommended by: Daran Somas, Manager, Transaction Services	Nov. 3, 2020	Signed by Daran Somas
<input checked="" type="checkbox"/> Recommended by: Director, Transactions Services Corporate Real Estate Management	Nov. 11, 2020	Signed by Alison Folosea
<input type="checkbox"/> Approved by: Alison Folosea		
<input checked="" type="checkbox"/> Approved by: Executive Director, Corporate Real Estate Management Patrick Matozzo	Nov. 12, 2020	Signed by Patrick Matozzo

Appendix "A" Site Location



Appendix "B"
Major Terms and Conditions

Landlord: The Independent Order of Foresters.

Tenant: City of Toronto.

Property: 789 Don Mills Road (9th Floor), Toronto ON.

Term: Three (3) year term commencing November 1, 2020 and expiring October 31, 2023.

Further Option to Extend: Nil.

Rentable Area: 15,123 square feet.

Basic Rent: Years 1 - \$11.00 per square foot; Year 2 - \$11.25 per square foot; Year 3 - \$11.50 per square foot.

Additional Rent: Estimated for 2020 to be \$13.31 per square foot and excludes property tax portion.

Municipal Capital Facility Agreement and Taxation Exemption: The Landlord and the Tenant entered into a Municipal Capital Facility Agreement dated February 28, 2012, with respect to tax exemption of the Demised Premises (the "MCFA"). The MCFA shall remain in full force and effect during the Extended Term of the lease as extended by the Lease Extension Agreement dated August 1, 2017 ***In accordance with the MCFA, the Demised Premises are exempt from taxation for municipal and school purposes, and the estimated Additional Rent should not include any component or amount for municipal or school taxes.***

Financial Summary:

The total cost to the City, for the three (3) year term, will be approximately \$1,145,000.84 (net of HST recoveries), or \$1,125,197.36 (plus HST) of which \$519,384.31 (net of HST recoveries) relates to basic rent and \$625,616.52 (net of HST recoveries) for additional rent. There are no additional costs to the transaction.

Landlord's Work: Nil.