

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

TRACKING NO.: 2020-123

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

Prepared By:	Glenn Zeta	Division:	Corporate Real Estate Management
Date Prepared:	October 8, 2020	Phone No.:	416-338-7612

Purpose
 To obtain authority to enter into a lease extension and amending agreement (the "**Agreement**") with First Capital Realty Inc. (the "**Landlord**") with respect to the property municipally known as 2981-2983 & 2985-2991 Kingston Rd., Toronto for the purpose of an office space utilized by Shelter, Support and Housing Administration.

Property
 Part of the property legally described as PT BLOCK A, PLAN M832, PT 1 66R28740, and municipally known as 2965-3049 Kingston Rd., Scarborough, Toronto, comprising of approximately 8,530 sq. ft.

Actions

- Authority be granted for the City to enter into a lease extension and amending agreement (the "**Agreement**") with the Landlord on the terms and conditions set out in Appendix "A", together with such other terms and conditions deemed appropriate by the approving authority herein, and in form satisfactory to the City Solicitor.
- The appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact
 If the City utilize the full five (5) years of the renewal term, the City will pay a total sum of \$1,081,800.40 (plus HST), or \$1,100,840.09 (net of HST recoveries) for the five (5) year term of the agreement, commencing September 1, 2020 and terminating on August 31, 2025.

Period	Basic Monthly Rent	Additional Monthly Rent	Total Monthly	Total Annually	Total Annually (Net of HST Recoveries)
September 1, 2020 to August 31, 2021	\$ 15,282.92	\$ 2,747.09	\$ 18,030.01	\$ 216,360.08	\$ 220,168.02
September 1, 2021 to August 31, 2022	\$ 15,282.92	\$ 2,747.09	\$ 18,030.01	\$ 216,360.08	\$ 220,168.02
September 1, 2022 to August 31, 2023	\$ 15,282.92	\$ 2,747.09	\$ 18,030.01	\$ 216,360.08	\$ 220,168.02
September 1, 2023 to August 31, 2024	\$ 15,282.92	\$ 2,747.09	\$ 18,030.01	\$ 216,360.08	\$ 220,168.02
September 1, 2024 to August 31, 2025	\$ 15,282.92	\$ 2,747.09	\$ 18,030.01	\$ 216,360.08	\$ 220,168.02
Subtotal				\$ 1,081,800.40	\$ 1,100,840.09

Funding is available in the 2020 Council Approved Operating Budget for Shelter, Support and Housing Administration (SSHA) under cost centre (F01423-4530) and will be included in future year Operating Budget submissions for Council consideration.

The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.

Comments
 By adoption of Report No. 26(29) on December 1, 2, 4, 2009, and Report No. 49(24) on May 11 and 12, 2010, City Council authorized the lease agreement with Cliffcrest Plaza Limited for 8,530 square feet of office premises for use by Toronto Employment Social Services (TESS) commencing September 1, 2010, and ending August 31, 2020. In February 29, 2012, Cliffcrest Plaza Limited and the City of Toronto entered into a Municipal Facility Agreement exempting the leased premises from taxation as adopted by City Council on May 17, 18 and 19, 2011.

On April 25, 2016, Cliffcrest Plaza Limited requested that the City execute a Tenant's Acknowledgement to confirm the status of the lease agreement pursuant to a sale of 2965-3049 Kingston Road. The Tenant's Acknowledgement was authorized by DAF 2016-115. Cliffcrest Plaza Limited entered into an Assignment and Assumption Agreement with First Capital Realty Inc. (the "**Landlord**") on May 18, 2016.

On April 1, 2019, Shelter, Support and Housing Administration assumed operations within the leased premises as the City decided to move Toronto Employment Social Services to another location. SSHA has requested a five (5) year term extension as the site is vital for their current staffing and program needs.

Terms
 See Appendix "A" for Major Terms and Conditions.

Property Details	Ward:	20 – Scarborough Southwest
	Assessment Roll No.:	1901-07-1-270-02900
	Approximate Size:	N/A
	Approximate Area:	792.46 m ² ± (8,530 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:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
2A. Expropriations Where City is Expropriating Authority:	<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.
2B. Expropriations For Transit-Related Purposes Where City is Property Owner or Has Interest in Property Being Expropriated:	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million. Request/waive hearings of necessity delegated to less senior positions.	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million. Request/waive hearings of necessity delegated to less senior positions.
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 type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 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. Delegated to a more senior position.	<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.
10. Leases/Licences (City as Tenant/Licensee):	<input checked="" 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. <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.
11. Easements (City as Grantor):	<input type="checkbox"/> (a) Where total compensation does not exceed \$3 Million. <input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.	<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.
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"/> (b) Releases/Discharges <input type="checkbox"/> (c) Surrenders/Abandonments <input type="checkbox"/> (d) Enforcements/Terminations <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates <input type="checkbox"/> (f) Objections/Waivers/Cautions <input type="checkbox"/> (g) Notices of Lease and Sublease <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"/> (j) Documentation relating to Land Titles applications <input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences <input type="checkbox"/> (b) Releases/Discharges <input type="checkbox"/> (c) Surrenders/Abandonments <input type="checkbox"/> (d) Enforcements/Terminations <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates <input type="checkbox"/> (f) Objections/Waivers/Cautions <input type="checkbox"/> (g) Notices of Lease and Sublease <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"/> (j) Documentation relating to Land Titles applications <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	
<input checked="" type="checkbox"/>	Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property
Consultation with Councillor(s)	
Councillor:	Gary Crawford
Contact Name:	William Burtch
Contacted by:	Phone <input type="checkbox"/> E-Mail <input checked="" type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	No Objections – May 6, 2020
Consultation with Divisions and/or Agencies	
Division:	SSHA / ModernTO
Contact Name:	Loretta Ramadhin / Mathieu Maslard
Comments:	June 2, 2020 - Concurred
Legal Services Division Contact	
Contact Name:	Michelle Desimone

DAF Tracking No.: 2020- 123	Date	Signature
Recommended by: Manager, Real Estate Services	Nov. 27, 2020	Signed by Daran Somas
Recommended by: Director, Real Estate Services	Nov. 27, 2020	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input checked="" type="checkbox"/> Approved by: Patrick Matozzo	Nov. 30, 2020	Signed by Patrick Matozzo
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli		X

Appendix "A"
Major Terms & Conditions

Landlord:

First Capital Realty Inc.

Tenant:

City of Toronto

Leased Premises:

2981-2983 & 2985-2991 Kingston Rd., Scarborough, Toronto

Term:

Five (5) years commencing on September 1, 2020 and terminating on August 31, 2025.

Use:

General administrative offices, a training center for staff and a call center for clients seeking shelters.

Basic and Additional Rent:

Period	Basic Monthly Rent	Additional Monthly Rent	Total Monthly	Total Annually	Total Annually (Net of HST Recoveries)
September 1, 2020 to August 31, 2021	\$ 15,282.92	\$ 2,747.09	\$ 18,030.01	\$ 216,360.08	\$ 220,168.02
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Subtotal				\$ 1,081,800.40	\$1,100,840.09

Early Termination Rights:

The City will have the option to terminate the lease after December 31, 2021 by providing a 3 months' termination notice to the Landlord.

Appendix "B"

Site Map and Location

