

## DELEGATED APPROVAL FORM

### CITY MANAGER

TRACKING NO.: 2020-131

Approved pursuant to the Delegated Authority contained in Article 2 of City of Toronto Municipal Code Chapter 213, Real Property													
<b>Prepared By:</b>	Mark Gunaratnam	<b>Division:</b>	Corporate Real Estate Management										
<b>Date Prepared:</b>	September 10, 2020	<b>Phone No.:</b>	416-392-2598										
<b>Purpose</b>	To obtain authority for the City of Toronto, as tenant, to accept an agreement to extend an existing Offer to Lease (the "Lease") with 545 Lakeshore West Property Inc. (the "Landlord"), for the Property (as defined below) at 545 Lake Shore Blvd. W., for a term of one year, with an option to extend for a further one year, subject to obtaining further approval as set out below.												
<b>Property</b>	The property municipally known as 545 Lake Shore Blvd. W. and legally described as PT BLK D PL D1397 TORONTO; PT BLK 3-4 PL D1429 TORONTO PT 5 63R4555, PT 1 64R13502; SUBJECT TO AN EASEMENT AS IN AT4536447; CITY OF TORONTO, Being all of PIN 21418-0112 (LT) (the "Property") and shown outlined in red on Plan 63R4555 and on Plan 64R13502 in Appendix "B" and on the Location Map in Appendix "C".												
<b>Actions</b>	1. Authority be granted to enter into an Extension and Amending Agreement (the "Agreement") with the Landlord to extend the Lease for a term commencing on October 1, 2020 and expiring on September 30, 2021, with a further option to extend for a term commencing on October 1, 2021 and expiring on September 30, 2022, substantially on the major terms and conditions set out in Appendix "A", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.												
<b>Financial Impact</b>	<p>Total cost to the City during the one (1) year extension term of the lease is \$2,798,400 (net of HST recoveries) or \$2,750,000 (plus HST), payable in advance in equal monthly installments of \$229,166.67. If the extension option is exercised for an additional one (1) year term from October 1, 2021 to September 30, 2022, the net rent will be the same during this term for a total cost of \$5,596,800 (net of HST recoveries) or \$5,500,000 (plus HST).</p> <p>Funding is available in the 2020 Council Approved Operating Budget for Shelter, Support and Housing Administration (SSHA) under account F03705. Funding for future year expenditures will be referred to the City's annual budget process and will be included in the Operating budget submission as required.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>												
<b>Comments</b>	<p>The City has been operating a shelter at The Property since September 15, 2018 as authorized by DAF 2018-281 and will continue to operate as a shelter through the extension with no program changes being contemplated. The Property consists of approximately 90,040 sq. ft. building with a basement and four floors. Shelter, Support and Housing Administration ("SSHA") is currently using the Property as a shelter and/or 24 hour respite centre through a purchase of service provider. Programs provide supports and are pet friendly and accessible. The Property also consists of parking lot lands which has approximately 130 parking lot stalls that is being operated for revenue through an MOU with the Toronto Parking Authority.</p> <p>The initial extension term is 1 year. In the event the City decides to exercise the further extension right, CREM and SSHA will seek internal authorization from the appropriate authority based on the financial impact of the further extension term.</p> <p>At its meeting of June 26, 27, 28 and 29, 2018, City Council adopted CD29.8, authorizing the General Manager or SSHA to enter into new or amend existing agreements to open and operate shelters, as outlined in the 2019 Shelter Infrastructure Plan. The proposed rent and other major terms and conditions of the Agreement are considered fair, reasonable and reflective of market rates.</p>												
<b>Terms</b>	See Appendix "A".												
<b>Property Details</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;"><b>Ward:</b></td> <td>20 – Trinity-Spadina</td> </tr> <tr> <td><b>Assessment Roll No.:</b></td> <td>19 04 062 040 007 51</td> </tr> <tr> <td><b>Approximate Size:</b></td> <td></td> </tr> <tr> <td><b>Approximate Area:</b></td> <td>8,364.99 m<sup>2</sup> ± (90,040 ft<sup>2</sup> ±)</td> </tr> <tr> <td><b>Other Information:</b></td> <td></td> </tr> </table>			<b>Ward:</b>	20 – Trinity-Spadina	<b>Assessment Roll No.:</b>	19 04 062 040 007 51	<b>Approximate Size:</b>		<b>Approximate Area:</b>	8,364.99 m <sup>2</sup> ± (90,040 ft <sup>2</sup> ±)	<b>Other Information:</b>	
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<b>Other Information:</b>													

A.	City Manager has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$10 Million.
2. Expropriations:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 Million.
3. Issuance of RFPs/REOLs:	<b>Delegated to less senior positions.</b>
4. Permanent Highway Closures:	<b>Delegated to less senior positions.</b>
5. Transfer of Operational Management to Divisions, Agencies and Corporations:	<b>Delegated to less senior positions.</b>
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$10 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$10 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	<b>Delegated to less senior positions.</b>
9. Leases/Licences (City as Landlord/Licensor):	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$10 Million. <b>Leases/licences for periods up to 12 months at less than market value delegated to less senior positions.</b> <b>Leases pursuant to the Community Space Tenancy Policy delegated to a less senior position.</b>
10. Leases/Licences (City as Tenant/Licensee):	<input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation does not exceed \$10 Million. <b>Nominal sum easements to pre-existing utilities when closing roads delegated to less senior positions.</b>
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$10 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)).
14. Miscellaneous:	<b>Delegated to less senior positions.</b>

B. City Manager has signing authority on behalf of the City for:
<ul style="list-style-type: none"> <li>Documents required to implement matters for which this position also has delegated approval authority.</li> </ul>

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:	Councillor Cressy
Contact Name:	Bushra Mir
Contacted by:	Phone   E-Mail   Memo   Other
Comments:	No Objection (May 20, 2020)

Consultation with Divisions and/or Agencies	
Division:	Shelter, Support and Housing Administration
Contact Name:	Loretta Ramadhin
Comments:	No Objection (April 28, 2020)

Legal Services Division Contact	
Contact Name:	Jack Payne

DAF Tracking No.: 2020-131	Date	Signature
Recommended by: Manager, Real Estate Services	Sept. 10, 2020	Signed by Daran Somas
Recommended by: Director, Real Estate Services	Sept. 11, 2020	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management Patrick Matozzo	Sept. 22, 2020	Signed by Patrick Matozzo
<input type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services Josie Scioli	Sept. 22, 2020	Signed by Josie Scioli
<input checked="" type="checkbox"/> Approved by: City Manager Chris Murray	Sept. 27, 2020	Signed by Chris Murray

## Appendix "A"

### Terms and Conditions

Landlord:	545 Lakeshore West Property Inc.
Premises:	The Building and Lands comprising the Property at 545 Lake Shore Blvd. W. Toronto
Net Rent:	\$2,750,000 per annum, payable in equal monthly installments of \$229,166.67 for the Extended Term and \$2,750,000 per annum, payable in equal monthly installments of \$229,166.67 for the Further Extended Term, should the City exercise its Option to Extend.
Additional Costs:	<p>1) Any applicable HST;</p> <p>2) The City is responsible for all repairs, replacements and maintenance of the Property, including, without limitation, the roof, HVAC, elevator, and Building equipment and systems, at its sole expense, provided that in the event of substantial damage or destruction by fire, lightning, tempest or similar casualty not caused by the City, its employees or agents that in the Landlord's reasonable opinion renders forty percent or more of the Premises unusable, the City has no obligation to repair, replace or rebuild the Property or any part thereof;</p> <p>3) All utilities;</p> <p>4) All realty taxes, subject to the City obtaining approval for and entering into a Municipal Capital Facility Agreement, under which any tax exemption would be to the benefit of the City.</p>
Extended Term:	Commencing on October 1, 2020 until September 30, 2021 (the "Extended Term").
Option to Extend:	The City will have the right to extend the Term for a further period one year (October 1, 2021 until September 30, 2022) (the "Further Extended Term") upon delivery of written notice not less than four (4) months before the expiry of the Extended Term, upon the same terms and conditions, including net rent, provided it has obtained the necessary internal approvals given the financial impact of the Further Extended Term.
Early Termination:	The Landlord will have the right to terminate the lease at any time during the Extended Term or the Further Extended Term upon five months' written notice.
Use:	The Property shall be used and operated by the City and/or any community operator and its authorized members to provide accommodation as a shelter facility for residents, which includes a low barrier respite site and/or a refugee reception centre. The City will be entitled to operate the lands surrounding the building as a parking facility to be operated by the Toronto Parking Authority or a third party provider. The City is also entitled to use all parking spaces at no charge. The City shall remove all waste and provide security services at its own cost. The City shall use best efforts to assist the Landlord in responding to any negative publicity regarding the Lease and/or use of the Property and confirm as required that the Landlord leased the Property at the City's request. In the case of any City default under the Offer to Lease or Lease the Landlord may cure the default at the City's cost plus a 15% administration fee.
Assignment:	Except for third party providers to operate the shelter facility or the parking lot lands, the City will not assign, sublet or part with possession of the whole or part of the Property.
Restoration:	If requested by the Landlord, the City at its sole cost will remove any leasehold improvements installed by it or any community operators or residents and restore the Property to the condition at the first day of the Fixturing Period. The City shall at its sole cost remove its trade fixtures and personal property and repair and damage caused by their installation or removal.
Asbestos & Hazardous:	The City accepts the environmental condition of the Building and lands comprising the Property. The City indemnifies and saves harmless the Landlord and those for whom it is legally responsible against all liabilities, claims, damages, losses and expenses, penalties, fines and sanctions, including costs of remediation of Hazardous Substances, any fines and damages and including all

legal and other consultants' fees and disbursements, due to, arising from or to the extent contributed to by:

1. any act or omission by the City which results in the presence of any Hazardous Substance at the Building or the Lands or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Building or the Lands of any Hazardous Substance, whether or not in compliance with Environmental Laws and Environmental Approvals;
2. the presence of any Hazardous Substance at, in, on, upon or within the Building or the Lands that was caused by the City or its employees, invitees, contractors or agents, or the escape, seepage, leakage, spillage, discharge, emission, release, disposal or transportation away from the Building or the Lands of any Hazardous Substance as a result of the act or omission of the City or its employees, invitees, contractors or agents;
3. any remedial order or any Environmental Claim affecting the Building or the Lands or their use which results from an act or omission of the City or its employees or agents;
4. any non-compliance with Environmental Laws or Environmental Approvals pertaining to the Building or the Lands arising from its use by the City or its employees or agents;
5. the removal, storage or disposition of any Hazardous Substance brought on to the Property by the City or its employees or agents; and
6. any and all claims by the Tenant's employees, agents, any community operator and its/their authorized member(s), residents and any other occupant or user of the Property that may arise as a result of the presence of any Hazardous Substance at, in, on, upon or within the Property and/or the environmental condition of the Property.

The Landlord shall not be liable for any interruption of or interference with the City's use of the Property or any death or any injury suffered by the City or any employee, agent, invitee or other occupant or user of the Property that may arise as a result of the presence of any Hazardous Substance at, in, on, upon or within the Property and/or the environmental condition of the Property.

**Overholding:**

If the City remains in possession of the Property following the expiration of this extension Term, without exercising its option to renew, the City will be a month to month tenant and pay as net rent in advance on the first day of each month of such overholding period, three (3) times the net rent payable in the Extended Term or Further Extended Term, as applicable.



Plan 64R-13502



**Appendix "C"**

