

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

TRACKING NO.: 2021-110

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

<b>Prepared By:</b>	Myron Menezes	<b>Division:</b>	Corporate Real Estate Management
<b>Date Prepared:</b>	April 7, 2021	<b>Phone No.:</b>	(416) 338-3586
<b>Purpose</b>	To obtain authority for the City of Toronto (the "City"), as licensee, to enter into a bulk room accommodation licence extension agreement (the "Extension Agreement") with 2683510 Ontario Inc. (the "Licensor"), for the continued use of all 163 rooms at Holiday Inn Express North York located at 30 Norfinch Drive, Toronto (the "Hotel") for the purpose of hotel use for temporary accommodation of shelter clients.		
<b>Property</b>	163 room units at Holiday Inn Express North York located at the property municipally known as 30 Norfinch Drive, City of Toronto (the "Property") and as shown on the Location Map in Appendix "B".		
<b>Actions</b>	<ol style="list-style-type: none"> <li>Authority be granted to enter into the Extension Agreement with the Licensor for use of the Property for a further term of five (5) months and fourteen (14) days commencing on April 17, 2021 and expiring on September 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.</li> </ol>		
<b>Financial Impact</b>	<ol style="list-style-type: none"> <li><u>Fees for Gross Room Rate</u>: the total gross room rate for the extension term is \$1,769,365.00 (plus HST) or \$1,800,505.82 (net of HST recoveries), payable in advance in monthly installments.</li> <li><u>Further Option to Extend</u>: If the extension term is extended for a further term of three (3) months, the total gross room rate for the entire eight (8) months and fifteen (15) days term will be \$2,744,105.00 (plus HST), or \$2,792,401.25 (net of HST recoveries), payable in advance in monthly installments.</li> <li><u>Restoration Period</u>: The City shall have up to a maximum of 60 days following the end of the term to restore the Property in accordance with the restoration obligations in the Licence Agreement. The maximum estimated total gross room rate for the entire sixty (60) days restoration period will be \$635,700.00 (plus HST), or \$646,888.32 (net of HST recoveries) and is to be charged based on the number of days of the total restoration period used by the City to complete the restoration work.</li> </ol> <p>In the event that the City exercises its further option to extend as set out in item 2 above, the total financial implication to the City for the period of April 17, 2021 – December 31, 2021, plus the additional 60 day restoration period, is \$3,379,805.00 (plus HST) or \$3,439,289.57 (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. Funding is available in the 2021 Council Approved Operating Budget for Shelter, Support &amp; Housing Administration under cost center 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>		
<b>Comments</b>	<p>As a result of the COVID-19 pandemic and the City of Toronto's state of emergency, the City continues to experience an unprecedented demand for shelter spaces for the purpose of physically distancing residents as mandated by Toronto Public Health. Pursuant to DAF Tracking No. 2020-126, the City entered into a Bulk Room Accommodation Licence Agreement dated May 15, 2020 and accepted May 16, 2020 (the "Licence Agreement") with the Licensor for use of the Property to provide temporary accommodation for shelter clients from May 17, 2020 to April 16, 2021. As public health measures and recommendations continue to remain in effect, Shelter, Support and Housing Administration ("SSHA") has determined that this Property is still required for an additional term. The Property consists of all 163 rooms throughout the hotel building. The facility will continue to be operated by Salvation Army, a service provider deemed appropriate by SSHA. Real Estate staff consider the terms and conditions of the proposed Extension Agreement to be fair and reasonable and reflective of market rates.</p> <p>SSHA has approved this proposed Extension Agreement and confirmed that the terms and conditions, including the restoration terms and potential costs, 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 Extension Agreement to be fair and reasonable and reflective of market rates.</p>		
<b>Terms</b>	Refer to Appendix "A" for the Terms and Conditions.		
<b>Property Details</b>	<b>Ward:</b>	7 – Humber River-Black Creek	
	<b>Assessment Roll No.:</b>		
	<b>Approximate Size:</b>		
	<b>Approximate Area:</b>		
	<b>Other Information:</b>	Pin: 102960144	

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. <b>Request/waive hearings of necessity delegated to less senior positions.</b>	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million. <b>Request/waive hearings of necessity delegated to less senior positions.</b>
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. <b>Delegated to a more senior position.</b>	<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"/> (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 checked="" 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"/> (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:**

- 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:	Anthony Perruzza	Councillor:	
Contact Name:	Matias de Dovitiis	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 – March 31, 2021	Comments:	

**Consultation with Divisions and/or Agencies**

Division:	Shelter, Support & Housing Administration	Division:	<b>Financial Planning</b>
Contact Name:	Justin Lewis / Loretta Ramadhin	Contact Name:	Patricia Libardo
Comments:	Comments incorporated – March 23, 2021	Comments:	Comments incorporated – April 7, 2021

**Legal Services Division Contact**

Contact Name: Shirley Chow – April 1, 2021

DAF Tracking No.: 2021- 110	Date	Signature
Recommended by: Director, Real Estate Services, Alison Folosea	April 8, 2021	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: <b>Executive Director, Corporate Real Estate Management Patrick Matozzo</b>	<b>April 8, 2021</b>	Signed by Patrick Matozzo
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: <b>Deputy City Manager, Corporate Services Josie Scioli</b>	<b>April 8, 2021</b>	Signed by Josie Scioli

**Appendix "A"**  
**Major Terms and Conditions**

Licensor:	2683510 Ontario Inc.
Premises:	163 room units in the Holiday Inn Express North York at 30 Norfinch Drive, Toronto, and as further set out in the Licence Agreement.
Gross Room Rate:	\$65/room/night, being \$10,595.00 per day for 163 rooms as further set out Payment Summary (below), payable monthly in advance on the first day of each and every month of the Extended Term, except for the period of April 17, 2021 to April 30, 2021, which shall be paid on May 1, 2021.
	Gross Room Rate is inclusive of realty taxes. The City reserves the right to seek tax relief for the portion of realty tax attributed in the gross room rate.
Additional Costs:	1) All applicable HST.
Extended Term:	Five (5) months and fourteen (14) days, commencing on April 17, 2021 and expiring on September 30, 2021.
Option to Extend:	Three (3) months, commencing on October 1, 2021 and expiring on December 31, 2021, on the same terms and conditions, except that there shall be no further right to extend. The City will be required to exercise the option to extend by providing the Licensor no less than thirty (30) days prior written notice prior to the expiry of the Extended Term
Early Termination:	The City shall continue to have the right (but not the obligation) to terminate the License (in its entirety or in respect to a portion of the Premises, up to 25 rooms) upon 10 days' prior written notice (the "Termination Notice") of such termination to the Licensor. In the event that the City effects a partial termination of this License, the City shall have the right to terminate up to a maximum of 25 rooms. If a portion of the Premises is terminated in accordance with this provision, the gross room rate payable shall be reduced on a per room basis proportionate to the number of rooms terminated.
Additional Services:	The parties agree that the "Additional Services" section of the Licence Agreement regarding catering services, shall be deleted in its entirety.
Restoration of the Premises:	The City shall, within 60 days following the end of the term, vacate the Premises and remove any property of any kind brought on the Premises by the City and return the Premises as close as is practicable, to its original condition immediately prior to the Commencement Date, including if required by the Licensor acting reasonably, an "institutional level deep cleaning" on completion of the Term, to the standards recommended by Toronto Public Health, reasonable wear and tear excluded. The City shall only pay the applicable Room Rate for the period of time required to complete restoration of the Premises. The Premises will be videotaped, and photos will be taken, shared and retained by the parties prior to City occupancy to create a record of Hotel condition prior to occupancy.

All other terms and conditions remain the same as set out in the Licence Agreement.

**Payment Summary**

Initial Term							
April 17, 2021 - September 30, 2021	April	May	June	July	August	September	Total
Number of rooms	163	163	163	163	163	163	163
Number of days	14	31	30	31	31	30	167
Gross Rent (plus HST)	\$148,330.00	\$328,445.00	\$317,850.00	\$328,445.00	\$328,445.00	\$317,850.00	\$1,769,365.00
Price per room per day (plus HST)	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	65
<b>Total (including HST)</b>	<b>\$167,612.90</b>	<b>\$371,142.85</b>	<b>\$359,170.50</b>	<b>\$371,142.85</b>	<b>\$371,142.85</b>	<b>\$359,170.50</b>	<b>\$1,999,382.45</b>
<b>Total (net of HST)</b>	<b>\$150,940.61</b>	<b>\$334,225.63</b>	<b>\$323,444.16</b>	<b>\$334,225.63</b>	<b>\$334,225.63</b>	<b>\$323,444.16</b>	<b>\$1,800,505.82</b>

Option to Extend					Restoration period	Initial Term + Option to extend + Restoration
October 1, 2021 - December 31, 2021	October	November	December	Total	Total	Grand Total
Number of rooms	163	163	163	163	163	163
Number of days	31	30	31	92	60	319
Gross Rent (plus HST)	\$328,445.00	\$317,850.00	\$328,445.00	\$974,740.00	\$635,700.00	\$3,379,805.00
Price per room per day (plus HST)	\$65.00	\$65.00	\$65.00	65	65	65
<b>Total (including HST)</b>	<b>\$371,142.85</b>	<b>\$359,170.50</b>	<b>\$371,142.85</b>	<b>\$1,101,456.20</b>	<b>\$718,341.00</b>	<b>\$3,819,179.65</b>
<b>Total (net of HST)</b>	<b>\$334,225.63</b>	<b>\$323,444.16</b>	<b>\$334,225.63</b>	<b>\$991,895.42</b>	<b>\$646,888.32</b>	<b>\$3,439,289.57</b>

# Appendix "B"

## Location Map

