

DELEGATED APPROVAL FORM
DIRECTOR, REAL ESTATE SERVICES
MANAGER, REAL ESTATE SERVICES

TRACKING NO.: 2021-102

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

Prepared By:	Anna Edwards	Division:	Corporate Real Estate Services
Date Prepared:	March 31, 2021	Phone No.:	416-338-3185

Purpose	To obtain authority to enter into a ground lease (the "Lease Agreement") between the City of Toronto, as Landlord (the "City"), and RSJ Torres Investments Inc., as tenant (the "Tenant"), to lease a portion of the lands known municipally as 50 Ingram Drive, Toronto, Ontario, which portion is more particularly shown outlined and hatched in red in the sketch attached hereto as Appendix "B" (the "Leased Lands") for the purpose of operating and maintaining an enclosed restaurant patio.
Property	The portion of the property known municipally as 50 Ingram Drive, Toronto, Ontario, and legally described as PT BLK A PL 4026 NORTH YORK; PT BLK B PL 4026 NORTH YORK AS IN NY500517; PT LT 48 PL 4026 NORTH YORK; PT LT 49 PL 4026 NORTH YORK; PT LT 50 PL 4026 NORTH YORK; PT LT 51 PL 4026 NORTH YORK AS IN NY 276806, EXCEPT 64R16147, 64R2208 & CA 672402; TORONTO (N York), CITY OF TORONTO, being all of PIN 10338-0165 (LT) (the "Property"), such leased portion of the Property shown outlined and hatched in red in the sketch attached hereto as Appendix "B".
Actions	1. Authority be granted to enter into the Lease Agreement with the Tenant substantially on the terms and conditions outlined in Appendix "A" attached hereto and on such other or amended terms as may be satisfactory to the Manager, Real Estate Services, and in a form acceptable to the City Solicitor.
Financial Impact	The term of the Lease Agreement shall commence on April 1, 2021 and end on March 31, 2026. There is potential for an extension until March 31, 2030. The total revenue will range from \$12,774.00 plus HST for the initial five (5) year term commencing on April 1, 2021 and ending on March 31, 2026 to a potential revenue of at least \$22,993.plus HST if all possible extensions are exercised by the Tenant (this amount may be higher as the fee will be adjusted for each extension term to reflect market value, but cannot be lower than the stated amount). The revenue is based on the equivalent of \$212.90 per month, or \$2,554.80 per year, or \$1.24/sq.ft.per year. The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial implications as identified in the Financial Impact section.
Comments	The Tenant is the owner of a property at 2255 Keele Street, which abuts the City-owned property at 50 Ingram Dr. Prior to the proposed commencement date of the Lease Agreement, the Tenant, without the prior permission of the City, had constructed and operated an enclosed patio which encroaches upon the Property, such encroachment area being the Leased Lands. The Tenant desires to lease the Leased Lands for the purpose of operating and maintaining an enclosed restaurant patio, and for no other use. The proposed rents and other major terms and conditions of the Lease Agreement are considered to be fair, reasonable and reflective of market rates.
Terms	See Appendix "A".

Property Details	Ward:	Ward 5 – York South-Weston
	Assessment Roll No.:	
	Approximate Size:	12 m x 20 m ± (39 ft x 66 ft ±) (irregular shape)
	Approximate Area:	191.38 m2 ± (2,060 ft2 ±)
	Other Information:	

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate 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/REOIs:</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/Licensors):</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 \$50,000.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p><input checked="" type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding three (3) months, including licences for environmental assessments and/or testing, etc.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p><input type="checkbox"/> Issuance of RFPs/REOIs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 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 \$1 Million.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding six (6) months, including licences for environmental assessments and/or testing, etc.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$1 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 \$1 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. Director, Real Estate Services and Manager, Real Estate Services each has signing authority on behalf of the City for:

- Documents required to implement matters for which each position also has delegated approval authority.
- Expropriation Applications and Notices following Council approval of expropriation (Manager, Transaction Services is only Manager with such signing authority).

Director, Real Estate Services also has signing authority on behalf of the City for:

- Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.
- 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:	Frances Nunziata	Councillor:	
Contact Name:	Teresa Carvalho	Contact Name:	
Contacted by:	Phone <input type="checkbox"/> X E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>	Contacted by:	Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	No objections - March 30, 2021	Comments:	

Consultation with Divisions and/or Agencies

Division:	Solid Waste Management	Division:	Financial Planning
Contact Name:	Carlyle Khan	Contact Name:	Patricia Libardo
Comments:	No objections (March 31, 2021)	Comments:	Incorporated in the DAF (March 30, 2021)

Legal Services Division Contact

Contact Name: Stefan Radovanovich (March 29, 2021)

DAF Tracking No.: 2021-102	Date	Signature
Concurred with by: Manager, Real Estate Services Alex Schuler	April 1, 2021	Signed by Alex Schuler
<input type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas	April 1, 2021	Signed by Daran Somas
<input checked="" type="checkbox"/> Approved by:		
<input type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea		

Appendix "A"

Major Terms and Conditions

Landlord: City of Toronto

Tenant: RSJ Torres Investments Inc.

Leased Lands: The portion of the City-owned property known municipally as 50 Ingram Drive, Toronto, Ontario, such portion shown outlined and hatched in red in the sketch attached hereto as Appendix "B", being approximately 191.38 m² ± (2,060 ft² ±).

"As is, Where is" Condition: The Leased Lands are being leased to the Tenant in "as is, where is" condition including, without limitation: (a) the state of repair, deficiencies and encroachment from and onto the Leased Lands (including the Tenant's patio); (b) the condition of the soil, the subsoil, the ground surface water and or any other environmental matters affecting the Leased Lands; (c) all existing buildings and structures upon the Leased Lands (including the Tenant's patio).

Base Rent: Two Thousand Five Hundred Fifty-Five Dollars and Seventy-Eight Cents (\$2,555.78) plus HST per annum, payable in equal monthly instalments of Two Hundred Twelve Dollars and Ninety Cents (\$212.90) plus HST per month, each instalment to be paid on the first (1st) of each and every month of the Term.

Taxes, Utilities and Other Charges: Throughout the Term and any extension or renewal thereof, the Tenant shall be responsible for: (a) taxes (except realty taxes); (b) all utility charges; (c) the cost of maintaining and operating the Leased Lands including, without limitation, heating, snow and ice removal and clearance, repairs and replacement of equipment, fixtures and facilities, lighting, cleaning, supplies, and supervising.

Realty Taxes to be paid by Landlord: The Landlord shall be solely liable for the payment of all realty taxes charged against the Property, including the Leased Lands. The Tenant is prohibited from contesting or appealing any realty taxes for the Property.

Term: Five (5) years, commencing on April 1, 2021 (the "Commencement Date") and continuing to and including March 31, 2026.

Options to Extend: The Tenant shall have the option to extend the Term for two (2) further periods of two (2) years each (each extended term individually referred to herein as an "Extended Term") on not more than twelve (12) months and not less than six (6) months written notice to the Landlord prior to the expiry of the Term or the then-current Extended Term, as the case may be.

Use: The Leased Lands shall, throughout the Term, be used by the Tenant for the purpose of operating and maintaining an enclosed restaurant patio, and for no other use.

Early Termination: At any time during the Term and any extension thereof, the Landlord shall have the right (but not the obligation) to terminate the Lease Agreement, in its sole discretion, upon giving written notice (the "Termination Notice") of such termination to the Tenant. The Termination Notice shall specify the termination date (the "Termination Date"), which shall be at least ninety (90) days after the Termination Notice is given. If the Termination Notice is given, then the Lease Agreement shall terminate on the Termination Date, the Tenant shall restore the Leased Lands, and the Tenant shall deliver vacant possession of the Leased Lands to the Landlord in accordance with all applicable provisions in the Lease Agreement, without payment or compensation of any kind from the Landlord.

Demolition of Patio / Restoration of Leased Lands: Any buildings, structures and improvements (including, for clarity, the Tenant's patio encroachment) located on, in, under or above the Leased Lands from time to time shall be and remain the property of the Tenant and, upon the expiration or earlier termination of this Lease Agreement, the Tenant shall demolish and remove from the Leased Lands, such buildings, structures and improvements (including the Tenant's equipment, chattels, furnishings, Tenant's fixtures and trade fixtures and other things which are not of a structural nature) located on, in, under or above the Leased Lands at the sole cost and expense of the Tenant and restore the Leased Lands to a vacant state. The Tenant shall at its own expense repair any damage caused to the Leased Lands and/or any abutting lands (including the Property) and/or abutting buildings by the removal of any buildings, structures, and/or improvements.

Sale of Tenant Lands: Not more than twenty-four (24) hours following the execution of an agreement in which the Tenant has agreed to sell its interest in 2255 Keele Street, Toronto (the "Sale Agreement") the Tenant shall provide the Landlord with written notice of the Sale Agreement (the "Sale Notice"). The Sale Notice shall specify the closing date of the transaction contemplated by the Sale Agreement (the "Closing Date") and the following shall apply: (a) Lease Agreement shall terminate on the Closing Date; (b) the Tenant shall restore the Leased Lands in accordance with the terms of the Lease Agreement; and (c) the Tenant shall deliver vacant possession of the Leased Lands to the Landlord in accordance with all applicable provisions in the Lease Agreement, without payment or compensation of any kind from the Landlord.

Insurance:

At all times during the Term and any extension or renewal thereof, the Tenant at its own expense, shall take out and keep in full force and effect:

(a) All risks (including flooding and earthquake) property insurance in an amount equal to one hundred percent of the full cost, insuring:

(i) the Buildings and As Is Improvements; and

(ii) all property owned by the Tenant or for which the Tenant is legally liable or installed by or on behalf of the Tenant, or located in, on or about the Leased Lands including, without limitation, leasehold improvements, trade fixtures and chattels, furniture stock, office

equipment, contents, the Leased Lands and any other buildings and structures erected on the Leased Lands, with coverage against all risks of physical damage;

(b) Commercial General Liability Insurance including all available extensions including, but in not by any way of limitation, Products and Completed Operations, Personal Injury, Occurrence Property Damage, Broad Form Property Damage, Non-Owned Automobile Liability including Contractual Liability Endorsement, Limited Pollution Coverage Endorsement, Employer's Liability, Contingent Employer's Liability, and Cross Liability and Severability of Interests clause or clauses with limits of not less than Five Million Dollars (\$5,000,000.00) per occurrence; and in such other amounts as the Landlord may, on not less than thirty (30) days prior written notice from time to time reasonably require. The Landlord is to be named as an additional insureds on each policy;

(c) standard owner's automobile liability insurance with limits of not less than Two Million Dollars (\$2,000,000.00) in respect of any one accident;

(d) during any period of construction or demolition:

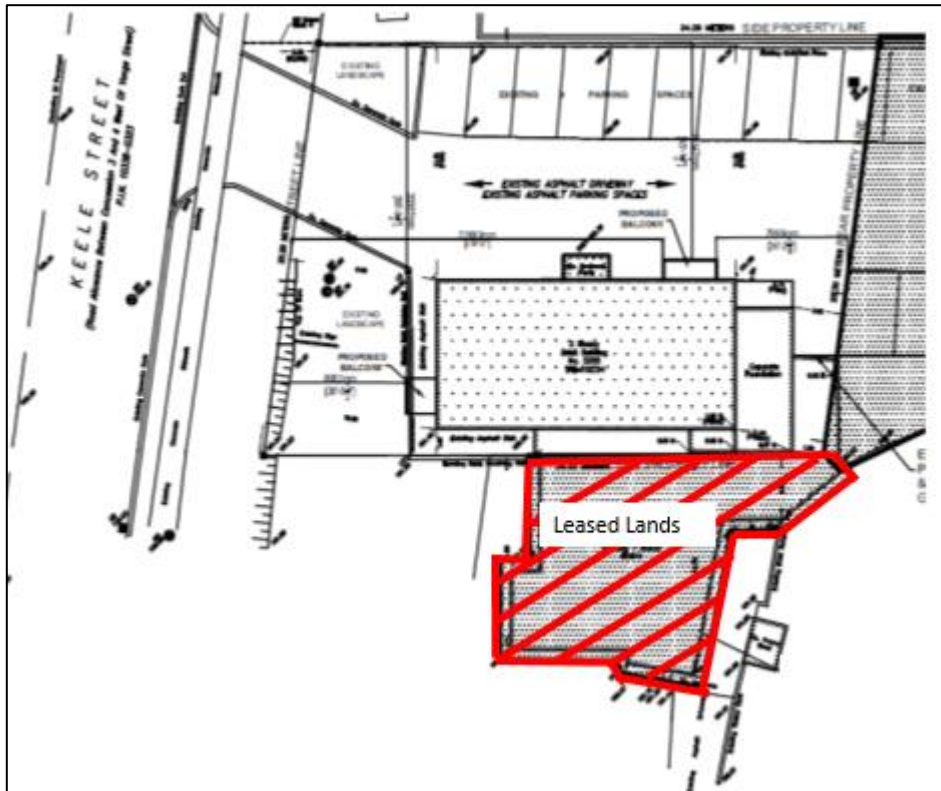
(i) prior to the commencement of any Tenant's demolition of the Buildings and As Is Improvements, the Tenant shall effect, maintain or cause to be maintained and kept in force, until completion of such work including the demolition of the Building and As Is Improvements, and repair and restoration of the Leased Lands, insurance insuring the Landlord, and the Tenant and all those for whom they are at law responsible (without rights of cross claim as between the Landlord and the Tenant) from damage to the Leased Lands, fixtures, equipment and building materials forming part of the Leased Lands from time to time during the work including demolition and construction (which may be by policies effective from time to time covering the risks during different phases of the Tenant's construction work) by an "all risks" form, including resultant damage from error or design and faulty workmanship and, to the extent available and as would be obtained by a prudent owner of such a property similar to the Leased Lands, to the replacement cost at all times and in any event in an amount sufficient to prevent the Landlord or the Tenant from being deemed to be a co insurer;

(ii) Automobile Liability Insurance for all licensed vehicles owned, rented or leased by or on behalf of the contractor while on any business connected with the work to a limit of not less than Five Million Dollars (\$5,000,000.00) per occurrence in respect of bodily injury and property damage. The contractor shall obtain proof of insurance from its subcontractors for the vehicles they own, rent or lease;

(iii) Contractor's Equipment Insurance – All risk property insurance on the Contractor's tools, machinery, equipment and temporary facilities used during the performance of the work (including owned, non-owned and rented). Such insurance will contain a Waiver of Subrogation in favour of the City of Toronto;

(e) such other forms of insurance as the Landlord acting reasonably, may require from time to time, in form, in amounts and for risks against which a prudent tenant under a similar lease would insure.

Appendix "B"



NOTE:

- The Property is shown outlined and hatched in red.
- Approximate area of the Property is 191.38 square meters.

Appendix "C" Location Map

