

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

TRACKING NO.: 2021-076

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

Prepared By:	Rafael Gutierrez	Division:	Corporate Real Estate Management
Date Prepared:	March 27, 2021	Phone No.:	416-338-2995

Purpose
 To obtain authority for the City of Toronto (the "**City**"), on behalf of the Toronto Transit Commission (the "**TTC**"), to enter into a lease proposal and lease amending and extension agreement (collectively, the "**Agreements**") with Parc Downsview Park Inc. (the "**Landlord**") to extend and amend the terms of a lease entered into between the Landlord and TTC on October 28th, 2009 (the "**Original Lease**"), as amended and extended on December 2, 2011, November 2, 2012, May 28, 2013, February 28, 2014, and June 16, 2016, respectively, for part of the premises described municipally as 40 Carl Hall Road, Toronto, Ontario, having an approximate rentable area of 143,947 square feet and shown outlined in colour on the floor plan attached hereto as Appendix "A" (the "**Premises**").

Property
 The property municipally known as Suites #1024 and #1024A, 40 Carl Hall Road, Toronto, Ontario, legally described as being part of PT LT 15-17 CON 3 WYS TWP OF YORK; PT RDAL BTN LT 15 & 16 CON 3 WYS TWP OF YORK PT 1, 64R7254, PT 1, 64R7255, PT 1, 64R7256; S/T NY35096; TORONTO (N YORK), CITY OF TORONTO, and shown in Appendix "A".

Actions
 1. Authority be granted to the City to enter into the Agreements with the Landlord for the Premises, substantially on the terms and conditions set out below and including such other or amended terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.

Financial Impact
 The City will pay a total sum of \$2,343,387.12 (plus HST), or \$2,384,630.74 (net of HST recoveries), for the initial two (2) year term. If the City exercises its option to extend for a further one (1) year term, the City could potentially pay an additional sum of \$1,171,693.56 (plus HST), or \$1,192,315.37 (net of HST recoveries). The total potential cost to the City is \$3,515,080.68 (plus HST), or \$3,576,946.11 (net of HST recoveries). Annual costs (net of HST recoveries) to the City is as follows:

Fiscal Year	Period	No. of Months	Excluding HST			Net of HST recoveries (additional 1.76%)
			Basic Rent per Month	Additional Rent per Month	Total Rent per Period	Total Rent per Period
2021	Jan. 1, 2021 to Dec. 31, 2021	12	\$ 58,251.81	\$ 39,389.32	\$ 1,171,693.56	\$ 1,192,315.37
2022	Jan. 1, 2022 to Dec. 31, 2022	12	\$ 58,251.81	\$ 39,389.32	\$ 1,171,693.56	\$ 1,192,315.37
First Extension Term - Subtotal					\$ 2,343,387.12	\$ 2,384,630.74
2023	Jan. 1, 2023 to Dec. 31, 2023	12	\$ 58,251.81	\$ 39,389.32	\$ 1,171,693.56	\$ 1,192,315.37
Second Extension Term - Subtotal					\$ 1,171,693.56	\$ 1,192,315.37
TOTAL					\$ 3,515,080.68	\$ 3,576,946.11

Comments
 Funding has been referred to the City's annual budget process and has been included in both the 2021 Operating Budget Submission and the 2021-2030 Capital Budget Plan for the Toronto Transit Commission under cost centre 9999 and IO7733 as well as other various capital IO's as applicable. Future year expenditures will be referred to the City's annual budget process and will be included as part of future year budget submissions.

The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this program for review as part of the 2021 budget process.

The Toronto Transit Commission has been a tenant in 40 Carl Hall Road for approximately eleven (11) years. The site is located at the north end of Parc Downsview Park, and is in a desirable location for the Toronto Transit Commission given its proximity to the subway (Sheppard West, formerly Downsview Station) and highway access. The space will continue to be used by the Automatic Train Control, Wiring and Services, and Structural departments. TTC does not have authority to enter into the Agreement and, as such, approval of the Agreements will be directed through the City of Toronto's Real Estate Approval Process pursuant to paragraph 279-2.4 of Municipal Code Chapter 279.

Corporate Real Estate Management staff have determined these rates to be fair market value. CreateTO has no objections to the extension with respect to their Yard and Industrial Strategy.

Terms
 See Page 4.

Property Details	Ward:	6 – York Centre
	Assessment Roll No.:	19 08 031 580 001 64
	Approximate Size:	N/A
	Approximate Area:	13,373.11 m ² ± (143,947 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:
<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 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 checked="" 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:	James Pasternak	Councillor:	
Contact Name:	Aytakin Mohammadi, Anthony Tersigni	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:	Concurs (February 19, 2021)	Comments:	

Consultation with Divisions and/or Agencies

Division:	Toronto Transit Commission	Division:	Financial Planning
Contact Name:	Mike Cernik	Contact Name:	Patricia Libardo
Comments:	Concurs (February 4, 2021)	Comments:	Concurs (February 12, 2021)

Legal Services Division Contact

Contact Name: Stefan Radovanovich (January 27, 2021)

DAF Tracking No.: 2021-076	Date	Signature
Recommended by: Manager, Real Estate Services, Daran Somas	March 30, 2021	Signed by Daran Somas
Recommended by: Director, Real Estate Services, Alison Folosea	March 31, 2021	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input type="checkbox"/> Approved by: Patrick Matozzo	March 31, 2021	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli	March 31, 2021	Signed by Josie Scioli

Major Terms and Conditions

Landlord: Parc Downsview Park Inc.

Tenant: City of Toronto, on behalf of the Toronto Transit Commission

Premises:

Unit 1024 – 95,921 square feet
Unit 1024A – 37,226 square feet

Exterior Storage: The Tenant will continue to use two exterior fenced areas, located along the east side of 40 Carl Hall, measuring 4,650 square feet and 6,150 square feet, respectively.

Surrender: Effective January 1, 2021, the Tenant will surrender the adjacent fenced exterior area, located on the north side of 40 Carl Hall Road and measuring 4,400 square feet (and previously described in Section 1.7 of the Original Lease, as having a square footage of 3,200 square feet).

Extended Term: Two (2) years

Commencement Date: January 1, 2021

Expiry Date: December 31, 2022

Basic Rent and Additional Rent:

			Excluding HST			Net of HST recoveries (additional 1.76%)
Fiscal Year	Period	No. of Months	Basic Rent per Month	Additional Rent per Month	Total Rent per Period	Total Rent per Period
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Option to Extend: Provided the Tenant is not in default in any of its obligations under the terms of the Agreement, the Tenant shall have the option to extend for one (1) further term of one (1) years.

Termination Right: In the event that the Tenant exercises its option to extend, the Landlord shall have the ongoing right to terminate the Lease upon six (6) months prior written notice.

Major Repairs: The Landlord will not be obligated to replace any HVAC, plumbing systems, electrical system, or the roof or roof membrane of the Premises, nor will the Landlord be required to undertake any repair or replacement if such repair or replacement would trigger an obligation to meet current seismic or Building Code requirements with respect to which the Premises does not comply on the Commencement Date. Should the Landlord, in its sole discretion, determine that the any of the system mentioned in this clause needs to be replaced, the Landlord may, upon written notice to the Tenant, terminate this Lease, and the Tenant will instead deliver up possession of the Premises to the Landlord with reasonable expedition but in any event within ninety (90) days after delivery of such a notice.

TTC as City Agent: The TTC as an agent of the Tenant, can undertake and fulfill any obligations, covenants, or requirements of the City arising in respect of this Agreement, subject to certain limitations.

Appendix "A" – Site Map, Aerial Map, Frontal View, Floor Plan 40 Carl Hall Road, Toronto, Ontario



