

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

TRACKING NO.: 2021-051

**With confidential attach**

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

Prepared By:	Blendian Stefani	Division:	Corporate Real Estate Management
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Date Prepared:	March 18, 2021	Phone No.:	(416) 397-7481
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<b>Purpose</b>	To obtain authority for a two (2) year lease extension with Toronto Centre for the Promotion of Fashion Design (the "Tenant") for the Premises (as described below) within the building located at 285 Manitoba Drive.
<b>Property</b>	A portion of the building located at 285 Manitoba Drive within Exhibition Place (the "Building"), shown on the attached site plan in Appendix "A" (the "Premises"). The Premises are those portions of the Building outlined in red and blue on Appendix "B" and described as Pods 2 and 3 together with the entrance areas, having an area of approximately 6,501 square feet.
<b>Actions</b>	Authority be granted to enter into a lease extension agreement between the City as Landlord and the Tenant for a further two (2) year term commencing on December 15, 2019 and expiring on December 14, 2021, substantially on the terms and conditions outlined herein, and such other terms and conditions deemed appropriate by the approving authority herein, and in a form acceptable to the City Solicitor.
<b>Financial Impact</b>	For Financial Impact see Confidential Attachment 1.  Revenue will be directed to the 2020 Council Approved Operating Budget for Exhibition Place and future year revenue will be included in future year budget submissions for Council consideration.  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.
<b>Comments</b>	The Board and the Tenant entered into a lease of the Music Building at 285 Manitoba Drive dated June 15, 2016, which expired on December 14, 2019 (the "Existing Lease").  Pursuant to Section 3.2 of the Existing Lease, the Tenant surrendered the portion of the Music Building known as Pod 1 from the Leased Property, effective December 14, 2016.  The Tenant requested a 4 year extension of the Existing Lease with respect to Pods 2 and 3 of the Music Building, commencing December 15, 2019 and concluding December 14, 2023, which was approved by the Board of Governors of Exhibition Place at its meeting of September 19, 2019.  In early March 2020, the Tenant's annual operating grant from the City of Toronto Economic Development is being significantly reduced in 2021 and 2022, with funding cut retroactive to January 2020, and therefore at this time the Tenant is unable to commit to a 4-year lease. The Tenant is requesting a two-year lease instead, commencing December 15, 2019 and ending December 14, 2021, with two one-year renewal options, with a Tenant's early termination provision on June 1, 2021 and June 1st of each renewal option year. The Tenant must give two months' written notice to exercise the termination right.
<b>Terms</b>	The Board of Governors of Exhibition Place has accepted the proposed transaction subject to CREM approval. The proposed Basic Rent and other major terms and conditions of the lease are considered to be fair, reasonable and reflective of market rates.  Major terms and conditions of the Agreement are set out in Appendix "C" of this form and Confidential Attachment 1. Reasons for Confidential Information: Confidential Attachment 1 relates to a proposed or pending acquisition or disposition of land by the City and the Board.

<b>Property Details</b>	<b>Ward:</b>	10 – Spadina-Fort York
	<b>Assessment Roll No.:</b>	
	<b>Approximate Size:</b>	20 m x 30 m ± (65 ft x 98 ft ±)
	<b>Approximate Area:</b>	604 m <sup>2</sup> ± (6,501 ft <sup>2</sup> ±)
	<b>Other Information:</b>	N/A

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 &amp; Parks &amp; 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 \$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><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></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><b>Delegated to more senior positions.</b></p> <p><input 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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></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><b>Delegated to more senior positions.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></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 &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><b>Delegated to more senior positions.</b></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 checked="" 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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></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:	Joe Cressy	Councillor:	
Contact Name:	Brent Gilliard	Contact Name:	
Contacted by:	Phone <input checked="" type="checkbox"/> 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 (e-mail October 25, 2020)	Comments:	

**Consultation with Divisions and/or Agencies**

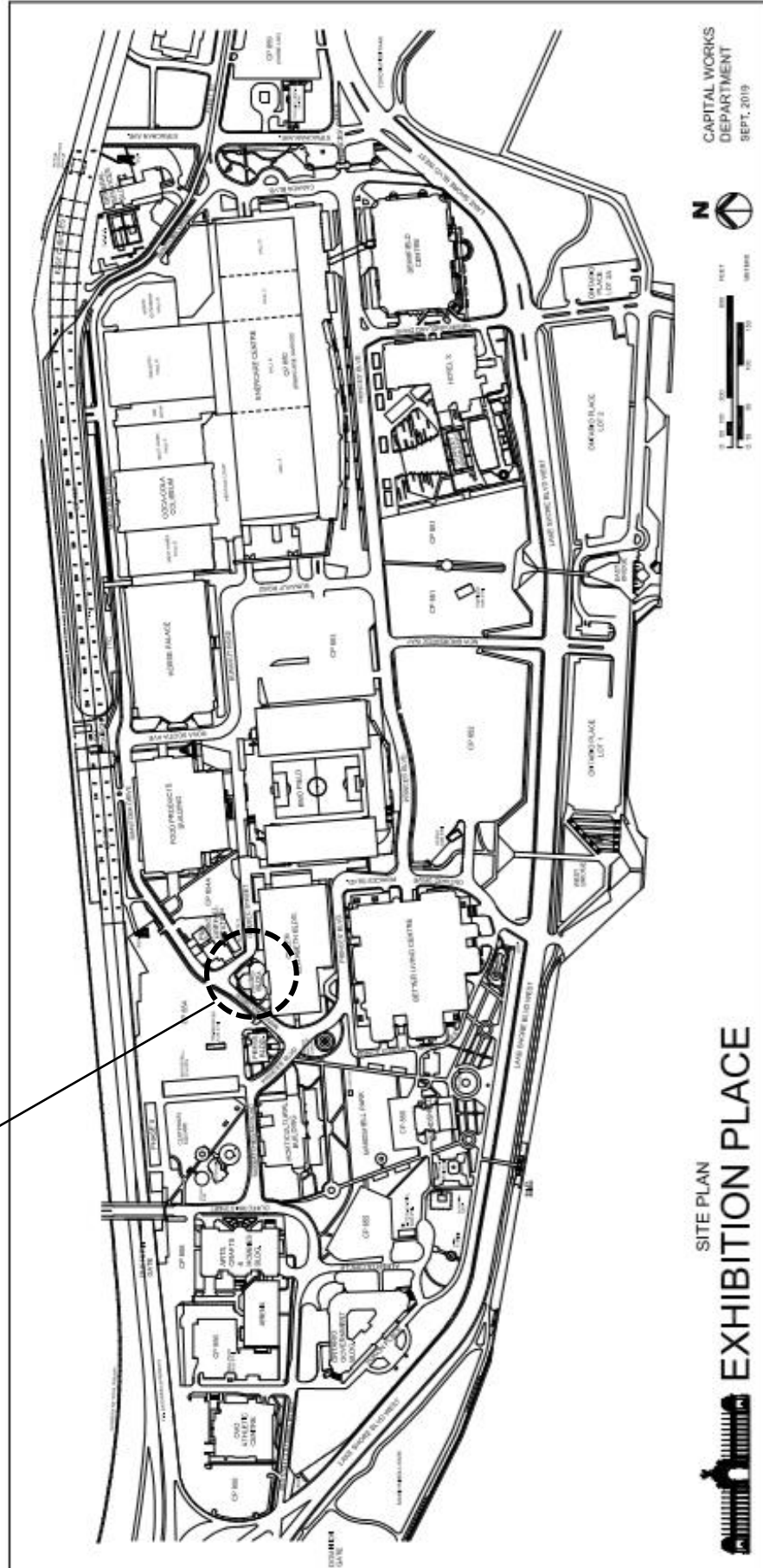
Division:	Exhibition Place	Division:	Financial Planning
Contact Name:	Hardat Persaud, CFO	Contact Name:	Patricia Libardo
Comments:	Concurs (e-mail March 10, 2021)	Comments:	Concurs (e-mail February 24, 2021)

**Legal Services Division Contact**

Contact Name: Jack Payne (last reviewed March 18, 2021)

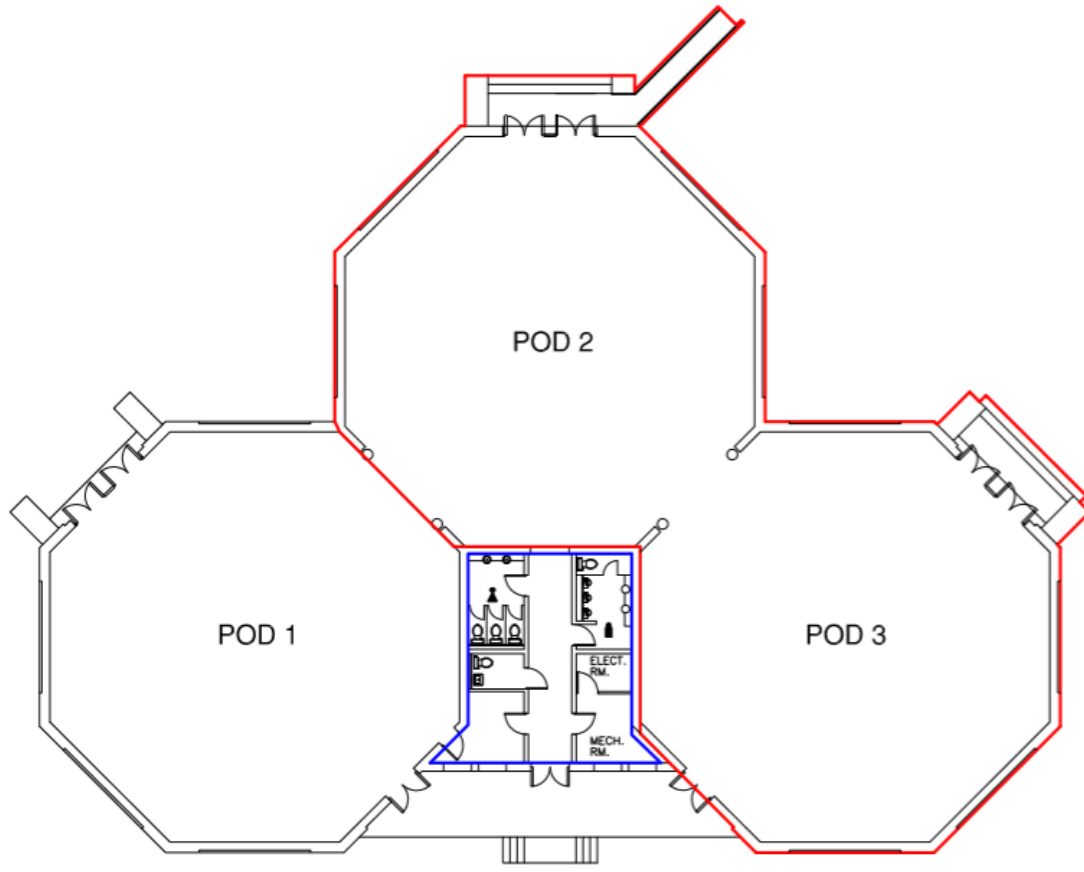
DAF Tracking No.: 2021-051	Date	Signature
Concurred with by: Daran Somas, Manager, Transaction Services		X
<input checked="" type="checkbox"/> Recommended by: <b>Manager, Transaction Services Melanie Hale-Carter</b>	<b>Mar. 23, 2021</b>	Signed by Melanie Hale-Carter
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: <b>Director, Transaction Services Alison Folosea</b>	<b>Mar. 26, 2021</b>	Signed by Alison Folosea

APPENDIX "A": "THE PREMISES" LOCATION MAP & SITE PLAN



THE PREMISES

### APPENDIX "B": FLOOR PLAN



TFI - LEASED PROPERTY



— LEASED PROPERTY

— LEASED PROPERTY COMMON AREA

## APPENDIX "C": MAJOR TERMS AND CONDITIONS

**Landlord:** City of Toronto.

**Board Execution:** The Board will also execute the Lease and, unless the Landlord advises otherwise and save as expressly otherwise provided in the Lease, all rights, covenants and obligations of the Landlord may be exercised, performed or complied with by the Landlord and/or the Board.

**Tenant:** Toronto Centre for the Promotion of Fashion Design, operating as the Toronto Fashion Incubator.

**Existing Lease:** The Lease shall be materially on the same terms and conditions as the Existing Lease, save as modified or amended in this term sheet and subject to any necessary changes to reflect the City of Toronto, rather than the Board, as Landlord.

**Premises:** Part of the Building known as the Music Building, consisting of Pods 2 and 3, together with entrance areas, for a total area of 6,501 sf.

**Term:** Two (2) years, commencing December 15, 2019 and expiring December 14, 2021.

**Extension Options:** Provided the Tenant is not then and has not been in default under the Lease, the Tenant shall have two (2) one-year extension options, exercisable on not less than six (6) months' prior written notice.

**Early termination option:** The Tenant shall have the option, on not less than two (2) months' prior written notice, to terminate the Lease effective June 1, 2021 and June 1st of each renewal option year, if exercised.

**Use:** The Tenant shall use the Leased Property solely for the purposes of a small business centre for the support of fashion entrepreneurs including offices and design and production studios and events, presentations, sales centre, training centre, web cast, library resource centre, showroom, sample centre and seminars ancillary thereto, and the filming thereof when related to its primary business and ancillary thereto. The Tenant shall comply at its sole cost with all local by-laws governing same and the Landlord shall not be responsible for any damages or additional costs incurred by the Tenant as a result of any changes to these by-laws.

**Basic Rent:** See Confidential Attachment 1.

**Net Lease:** As in the Existing Lease, the Lease is a carefree and absolutely net lease to the Landlord, except as expressly set out, and the Landlord shall not be responsible during the Term or Extension Terms for any costs, charges, expenses, and outlays of any nature whatsoever arising from or relating to the Premises, the contents, the use or occupancy thereof, or the business carried on therein. The Tenant shall pay all charges, impositions, costs and expenses of every nature and kind, extraordinary as well as ordinary and foreseen as well as unforeseen, relating to the Premises. Any amount and any obligation relating to the Premises not expressly declared in the Lease to be the responsibility of the Landlord shall be the responsibility of the Tenant.