

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

TRACKING NO.: 2021-126

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

Prepared By:	Mark Gunaratnam	Division:	Corporate Real Estate Management
Date Prepared:	April 22, 2021	Phone No.:	416-392-2598

<b>Purpose</b>	To obtain authority to extend the lease agreement (the " <b>Agreement</b> ") between the City of Toronto (the " <b>City</b> ") and Nestle Canada Inc. (the " <b>Landlord</b> "), for six (6) months commencing September 1, 2021 and expiring February 28, 2022, for use of approximately 25,680 square feet of space within the premises municipally known as 1900 Dundas Street West, Toronto, together with the subjacent and certain lands adjoining the building as further described in the Agreement.
<b>Property</b>	1900 Dundas Street West (previously known as 72 Sterling Road) (the " <b>Premises</b> "), as shown on the location map attached as Appendix "B".
<b>Actions</b>	1. Authority be granted to extend the Agreement for a further term of six (6) months substantially on the terms and conditions set out in Appendix "A", and including such other terms as deemed appropriate by the approval authority herein, and in a form satisfactory to the City Solicitor.
<b>Financial Impact</b>	<p>The total cost to the City for the six (6) month term, will be \$417,720.00 (plus HST) or \$376,169.68 (net of HST recoveries), which includes basic rent (\$15.00psf) and operating costs (\$13.79psf). If the three (3) month option to extend is exercised, the total cost to the City will be \$626,579.80 (plus HST) or \$564,254.52 (net of HST recoveries).</p> <p>Funding is available in the 2021 Council Approved Operating Budget for Toronto Employment &amp; Social Services under account #C01214.</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>By the adoption of Clause 11 of Report No. 3 of the Management Committee on January 6, 1993, the former Metropolitan Toronto Council authorized a five year lease commencing on September 1, 1993 and expiring August 31, 1998, for a two-storey building with approximately 25,680 square feet of space.</p> <p>By the Adoption of Clause 16 of Report No. 9 of the Corporate Services Committee, at its meeting on July 8, 9 and 10, 1998, City Council authorized the lease renewal for a further three year term from September 1, 1998 to August 31, 2001. The original lease provided for a further five year renewal but the parties subsequently agreed to renew for a period of three years only. Authority was granted by DAF No. 2002-017 to renew the lease for a further five years commencing September 1, 2001 and ending on August 31, 2006.</p> <p>By adoption of Government Management Committee Report GM9.16, adopted by Council at its meeting on November 19 and 20, 2007, City Council authorized the lease renewal for a further period of five years commencing September 1, 2006 and expiring August 31, 2011.</p> <p>Authority was granted by DAF 2012-024, to renew the lease for an additional five years commencing September 1, 2011 and expiring August 31, 2016.</p> <p>Authority was granted by DAF 2018-020, to renew the lease for an additional five years commencing September 1, 2016 and expiring August 31, 2021.</p> <p>Toronto Employment and Social Services ("TESS") has asked for a further six-month renewal of the lease, with a three-month option to extend as TESS is in the process of relocating its operations. For the time being, the office remains an important part of the Davenport community providing employment and social service assistance to those in need.</p> <p>City staff consider the proposed rent and other major terms and conditions of the Agreement to be fair and reasonable to both parties.</p>
<b>Terms</b>	Please see page 4: Appendix "A"

<b>Property Details</b>	<b>Ward:</b>	18 – Davenport
	<b>Assessment Roll No.:</b>	1904-02-4-370-01200
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	2,385.75 m <sup>2</sup> ± (25,680 ft <sup>2</sup> ±)
	<b>Other Information:</b>	

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/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><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 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 checked="" 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:	Ana Bailao	Councillor:	
Contact Name:	Nicholas Gallant (Constituency Assistant)	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 8, 2021)	Comments:	

**Consultation with Divisions and/or Agencies**

Division:	Toronto Employment Social Services	Division:	<b>Financial Planning</b>
Contact Name:	Jeff Parkovnick (Manager Budget And Financial Planning, Community & Social Services) / Ilir Shijaku (Project Coordinator Facilities TESS)	Contact Name:	Patricia Libardo
Comments:	Comments incorporated (March 8, 2021)	Comments:	Comments incorporated (April 19, 2021)

**Legal Services Division Contact**

Contact Name: Aiden Alexio

DAF Tracking No.: 2021-126	Date	Signature
<input checked="" type="checkbox"/> Recommended by: <b>Manager, Real Estate Services Daran Somas</b>	<b>Apr. 23, 2021</b>	Signed by Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: <b>Director, Real Estate Services Alison Folosea</b>	<b>Apr. 29, 2021</b>	Signed by Alison Folosea

2021-126

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

**Landlord:** Nestlé Canada Inc.

**Tenant:** City of Toronto

**Leased Premises:** Approximately 25,680 square feet of space within the premises municipally known as 1900 Dundas Street West, Toronto

**Extension Term:** Six (6) months, commencing September 1, 2021 and expiring February 28, 2022.

**Basic Rent:** \$15.00 per square feet per annum, plus HST.

**Operating Costs:** Estimated to be no greater than \$13.79 per square feet per annum, plus HST for 2021, and subject to adjustment in favour of the City in the event that the year-end reconciliation determines that such costs are less than \$13.79 per square foot per annum.

**Options to Extend:** One (1) option to extend for three (3) months.

**Municipal Capital Facility and Taxation Exemption:** The City and the Landlord entered into a Municipal Capital Facility Agreement dated December 5, 2017 (the "MCFA") to exempt the Premises from taxation for municipal and school purposes. MPAC exempts the Premises from taxation based on the MCFA, and the City does not pay the realty taxes for the Premises.

2021-126

Appendix "B" – Location Map

