

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

TRACKING NO.: 2021-175

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

Prepared By:	Patricia Chen	Division:	Corporate Real Estate Management
Date Prepared:	June 9, 2021	Phone No.:	416-338-3583
Purpose	To obtain authority for the City of Toronto (the "City"), as licensee, to enter into a bulk room accommodation licence agreement (the "Licence Agreement") with Aura Hotel Group Inc. (the "Licensor"), for the continued use of The Saint James Hotel located at 26 Gerrard Street East, Toronto for the purpose of hotel use for temporary accommodation and programming needs of shelter clients.		
Property	36 room units and up to 3 meeting rooms at The Saint James Hotel located at the property municipally known as 26 Gerrard Street East, City of Toronto (the "Property") and shown on the Location Map in Appendix "B".		
Actions	1. Authority be granted to enter into the Licence Agreement with the Licensor to extend the term for a further period of six (6) months and ten (10) days commencing on June 22, 2021 and expiring on December 31, 2021 (the "Term"), 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.		
Financial Impact	<p>The following costs will be incurred by the City in connection with the Licence Agreement:</p> <ol style="list-style-type: none"> 1. Fees for Gross Room Rate, including usage of up to three meeting rooms at the City's discretion: \$4,680.00 (plus HST) per day, payable monthly, in advance, throughout the Term for a total fee of \$903,240.00 (plus HST), or \$919,137.02 (net of HST recoveries) for the Term. 2. Fees for Gross Room Rate during the Restoration Period: a maximum of \$129,600.00 (plus HST) for 30 days, or \$131,880.96 (net of HST recoveries). 3. Catering Fees: \$208,440.00 (plus HST) or \$212,108.54 (net of HST recoveries) for the Term (assuming \$30/day per occupant plus HST, based on full occupancy on a single occupancy basis) <p>Total financial implications to the City is \$1,241,280.00 (plus HST) or \$1,263,126.53 (net of HST recoveries), based on the assumption of 36 room units occupied by shelter clients and 3 meeting rooms being occupied for the remainder of the Term except the Restoration Period. Funding is available in the 2021 Council Approved Operating Budget for Shelter, Support, and Housing Administration ("SSHA") under account 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>		
Comments	<p>The City is currently licensing the entire Property pursuant to a Bulk Room Accommodation Licence Agreement dated June 21, 2020 and accepted June 22, 2020 (the "Licence") which was entered into under the authority of DAF Tracking No. 2020-161 dated June 20, 2020. Pursuant to the Licence, the City licenced the Property for a term of six (6) months commencing on June 22, 2020 and expiring on December 21, 2020 with an automatic month-to-month extension of up to a maximum of six (6) months, expiring on June 21, 2021.</p> <p>The Property, comprised of 36 hotel rooms and 3 meeting rooms in a 6-floor hotel building, will continue to be used as a hotel to provide temporary accommodations and programming needs for shelter clients. The facility will be operated by a service provider(s) deemed appropriate by SSHA.</p> <p>For the proposed Term, the parties are proposing to enter into a more fulsome Licence Agreement, substantially upon the major terms and conditions set out in Appendix "A".</p> <p>SSHA has approved this proposed Licence Agreement and confirmed that the amended terms and conditions 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 Licence Agreement to be fair and reasonable and reflective of market rates.</p>		
Terms	Refer to Appendix "A" for the terms and conditions of the Licence Agreement.		
Property Details	Ward:	13 – Toronto-Centre	
	Assessment Roll No.:		
	Approximate Size:		
	Approximate Area:		
	Other Information:		

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. Request/waive hearings of necessity delegated to less senior positions.	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million. Request/waive hearings of necessity delegated to less senior positions.
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. Delegated to a more senior position.	<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 checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.	<input 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:
<ul style="list-style-type: none"> • Documents required to implement matters for which each position also has delegated approval authority.
<ul style="list-style-type: none"> • Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.
<ul style="list-style-type: none"> • Expropriation Applications and Notices following Council approval of expropriation.
<ul style="list-style-type: none"> • Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents.

Pre-Condition to Approval	
<input checked="" type="checkbox"/> Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property	
Consultation with Councillor(s)	
Councillor:	Kristyn Wong-Tam
Contact Name:	
Contacted by:	Phone <input type="checkbox"/> X E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	Consulted – June 18 th , 2021
Consultation with Divisions and/or Agencies	
Division:	Shelter, Support & Housing Administration
Contact Name:	Loretta Ramadhin
Comments:	No changes required – June 14 th 2021
Division:	Financial Planning
Contact Name:	Patricia Libardo
Comments:	Changes incorporated – June 17 th , 2021
Legal Services Division Contact	
Contact Name:	Shirley Chow – June 10 th , 2021

DAF Tracking No.: 2021-175	Date	Signature
Recommended by: Acting Manager, Real Estate Services: Van Hua	June 18, 2021	Signed by Van Hua
Recommended by: Director, Real Estate Services: Alison Folosea	June 21, 2021	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	June 12, 2021	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Patrick Matozzo		
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli		X

Appendix "A" Major Terms and Conditions

Licensor: Aura Hotel Group Inc.

Premises: 39 units in The Saint James Hotel (being 36 hotel rooms and the option to use 3 meeting rooms), at 26 Gerrard Street East, Toronto. The City will have no access to the basement, the laundry area, the sixth floor corporate office and any food preparation areas of the Property.

Term: Six (6) months and ten (10) days commencing on June 22, 2021 and expiring on December 31, 2021.

Room Rate: The gross room rate remains \$120/room/day throughout the Term.

Other Amendments:

- (i) Removal of Early Termination option – Neither party shall have the right to early termination.
- (ii) The City is only required to pay for the meeting rooms if the meeting rooms are used by the City during the Term.
- (iii) Parking requirements at 40 Gerrard Street East are no longer required.
- (iv) Waste disposal to be performed by the Licensor twice a week at no extra cost to the City. Disposal of medical waste is the responsibility of the City.
- (v) Licensor's Responsibilities – In addition to the Licensor's obligations in the existing Licence, the Licensor agreed to provide or be responsible for the following:
 - (a) elevator service, maintenance, repair and replacement. The Licensor shall enter into and maintain throughout the Term a full maintenance elevator service contract with a reputable and certified elevator maintenance company to ensure elevator issues are addressed on a timely basis; and
 - (b) the hotel's security systems and cameras (if any) will be maintained by the Licensor and available to be access by both the Licensor and the City as necessary.
- (vi) Security and Supervision- Security and supervision of the Premises shall be the City's responsibility and the City may retain security services from a licensed security provider, at its sole discretion.
- (vii) Fire and Life Safety Systems – The Licensor's obligations in respect to the fire and life safety systems in the Licence, shall be deleted in their entirety, and replaced with the following:
 - "fire and life safety systems and related maintenance and monitoring, including without limitation, the following:
 - Building Fire Safety Plan document must be approved by Toronto Fire Service and reviewed on an annual basis as per Section 2.8 of the Ontario Fire Code.
 - Fire & Life Safety systems, as noted below, must be inspected, tested and maintained as per Part 6 of the Ontario Fire Code.
 - fire alarm system
 - emergency lighting
 - generator (if applicable)
 - fire extinguishers
 - standpipe hose system (if applicable)
 - sprinkler system (if applicable)
 - kitchen suppression system (if applicable)
 - Records of all inspection, testing and maintenance shall be maintained as per Article 1.1.2.1.(1) of the Ontario Fire Code
 - All inspection, testing and maintenance records for the fire and life safety systems shall be provided to the City of Toronto Fire & Life Safety Program Office upon request, who may audit the records against code equipment to ensure the safety of the employees and users of the building.
 - If deficiencies are discovered in the reports, the Hotel/property owner will be notified to conduct repairs and address the deficiencies.
 - The Fire & Life Safety Program Office may share the reports with all authorities having jurisdiction.

The Licensor shall ensure all fire and life safety systems and records are up to date and remain in compliance with the Ontario Fire Code. The Licensor agrees to immediately notify the City if it becomes aware of any such non-compliance and to provide the City with a copy of any such violations, orders and all related information in respect of such non-compliance. In the event that occupancy approval is not granted, a Notice of Violation or Inspection Order is issued at any time by any governing body, including but not limited to Toronto Buildings and Toronto Fire Services, the City shall have the right to abate the gross Room Rate for the period of time during which the infraction exists and until all deficiencies are rectified. The abatement will only apply to the extent and for the duration that the City actually vacates the Premises and will not apply to that portion of the Premises that the City continues to use, and the abatement will not apply if the deficiency is caused by the City or its employees, servant, agents, Community Operators, consultants, contractors or Shelter Clients. The Licensor shall use its best efforts to ensure that any outstanding violation(s) is/are rectified in a timely manner.

Option to Extend: None.

All other existing terms and conditions of the Licence are to remain the same.

Appendix "B" Location Map

