

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

**TRACKING NO.: 2021-182**  
**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:	Myron Menezes	Division:	Corporate Real Estate Management										
Date Prepared:	June 29, 2021	Phone No.:	(416) 338-3586										
<b>Purpose</b>	To obtain authority for the City of Toronto (the "City"), as landlord, to enter into a lease agreement (the "Lease") with 16730801 Ontario Inc. (the "Tenant") and The Board of Governors of Exhibition Place (the "Board"), for the use of a portion of the Queen Elizabeth Complex known as the Fountain Dining Room located at 190 Princes' Boulevard, Toronto for the purpose of a banquet facility with the ability to offer food and beverage events.												
<b>Property</b>	A portion of the Queen Elizabeth Complex known as the Fountain Dining Room located at the property municipally known as 190 Princes' Boulevard, City of Toronto (the "Property") and as shown on Appendix "B".												
<b>Actions</b>	1. Authority be granted to enter into a Lease with the Tenant and the Board to lease the Property for a term of ten (10) years commencing on May 1, 2020 and expiring April 30, 2030, substantially on the major terms and conditions set out in Appendix "A" and Confidential Attachment 1, 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.												
<b>Financial Impact</b>	<p>For Financial Impact see Confidential Attachment 1.</p> <p>Revenue will be directed to the 2021 Council Approved Operating Budget for Exhibition Place under cost center EX0200 and future year revenue will be included in future year budget submissions for Council consideration.</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>The Property was built in 1957 and consists of a 5,361 square foot dining room, two office/boardroom spaces, a lobby, washrooms, and a commercial kitchen space location on the second floor.</p> <p>The Board and the Tenant had initially entered into a lease dated November 1, 2010 for the Property which expired on April 30, 2020 (the "Existing Lease"). The Tenant is a company that has existed since 2006 and is also the tenant under a lease of the Queen Elizabeth Theatre (the "QET"), also located in the Queen Elizabeth Complex. Since 2006, the Tenant has successfully brought more than 300 shows to the QET. The Tenant's owner is also the sole shareholder of Corner Pocket Billiards Club Inc. which carries on business in the name of The Mod Club on College Street. The Tenant has been in the restaurant and entertainment business for 25 plus years operating the successful MOD Club venue for 16 plus years.</p> <p>At its meeting of September 19, 2019 the Board approved a new lease between the City of Toronto as Landlord and the Tenant for a term of ten (10) years commencing May 1, 2020 and ending April 30, 2030. The Tenant on January 9, 2020 wrote to the CEO of Exhibition Place requesting a term of 20 years instead of 10 years, proposed to expire on April 30, 2040, so that the Tenant would be in a better position to recoup its investment and sustain its business model.</p> <p>City Real Estate staff consulted with Exhibition Place staff. Presently, nothing in the draft guiding principles of the Master Planning Development Study Plan undertaken by City Planning would indicate that a 20 year lease cannot be done at this time. Therefore both parties are supportive of the direction to move forward as set out in this form.</p> <p>Since the business model for the Fountain Dining Room is tied to the activities in the QET, staff recommends that the term of the Lease be co-terminous with the proposed expiration of the QET Lease on April 30, 2040.</p> <p>The Board approved the Lease at its meeting on February 11, 2020, subject to City approval, and the Board and Real Estate Services consider the terms and conditions of this proposed Lease to be fair, reasonable and reflective of market rates.</p>												
<b>Terms</b>	<p>Major terms and conditions of the Agreement are set out in Appendix "A" and Confidential Attachment 1.</p> <p>Reasons for Confidential Information: Confidential Attachment 1 relates to a proposed or pending acquisition or disposition of land by the City and the Board.</p>												
<b>Property Details</b>	<table border="1"> <tr> <td><b>Ward:</b></td><td>Ward 10 – Spadina-Fort York</td></tr> <tr> <td><b>Assessment Roll No.:</b></td><td></td></tr> <tr> <td><b>Approximate Size:</b></td><td></td></tr> <tr> <td><b>Approximate Area:</b></td><td>498 m<sup>2</sup> ± (5,361 ft<sup>2</sup> ±)</td></tr> <tr> <td><b>Other Information:</b></td><td>Pin: 213830039</td></tr> </table>	<b>Ward:</b>	Ward 10 – Spadina-Fort York	<b>Assessment Roll No.:</b>		<b>Approximate Size:</b>		<b>Approximate Area:</b>	498 m <sup>2</sup> ± (5,361 ft <sup>2</sup> ±)	<b>Other Information:</b>	Pin: 213830039		
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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 &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 \$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><b>Request/waive hearings of necessity delegated to less senior positions.</b></p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process &amp; 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 checked="" 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><b>Delegated to a more senior position.</b></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><b>Request/waive hearings of necessity delegated to less senior positions.</b></p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process &amp; 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 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; 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**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:	Joe Cressy	Councillor:	
Contact Name:	Brent Gilliard	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:	No objections – June 28, 2021	Comments:	

**Consultation with Divisions and/or Agencies**

Division:	Exhibition Place	Division:	Financial Planning
Contact Name:	Hardat Persaud, CFO	Contact Name:	Patricia Libardo
Comments:	Comments incorporated – June 15, 2021	Comments:	Comments incorporated – June 14, 2021

**Legal Services Division Contact**

Contact Name:	Jack Payne
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DAF Tracking No.: 2021-182	Date	Signature
Recommended by: Manager, Real Estate Services	July 8, 2021	Signed by Daran Somas
Recommended by: Director, Real Estate Services	July 8, 2021	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	July 13, 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

Landlord:	City of Toronto
Board:	The Board of Governors of Exhibition Place
Tenant:	16730801 Ontario Inc.
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.
Property:	A portion of the Queen Elizabeth Complex known as the Fountain Dining Room located at the property municipally known as 190 Princes' Boulevard, City of Toronto as shown on Appendix "B". The Tenant shall provide a right of access to the Landlord and Board to those areas shown as Maintenance Areas on Appendix "B", and shall permit the use of the areas marked as Common Space and Second Floor Washrooms on Appendix "B" by the tenant under the QET lease and its customers.
Parking:	10 non-reserved parking permits will be provided at no additional cost. If the <b>Landlord</b> advises that such are available, the <b>Tenant</b> may purchase additional annual parking permits for its staff at the <b>Landlord's</b> or <b>Board's</b> prescribed monthly rate
Basic Rent:	As per Confidential Attachment 1.
Percentage Rent: Net Lease/ Additional Rent:	As per Confidential Attachment 1.  The Lease is an absolutely net lease to the Landlord, except as expressly set out, and that the Landlord shall not be responsible for any costs, charges, expenses, and outlays of any nature whatsoever arising from or relating to the Leased Property, the contents, the use or occupancy thereof, or the business carried on therein. The <b>Tenant</b> shall pay all <b>taxes</b> , charges, impositions, costs and expenses relating to the <b>Leased Property</b> , the use and occupancy thereof, the contents thereof, and the business carried on therein.
Deposit:	The Tenant has paid a security deposit of \$10,000.00.
Term:	Ten (10) years commencing on May 1, 2020 and expiring on April 30, 2030.
Option to Extend:	Provided the Tenant is in occupation of the whole of the Property and is not and has not been in default, it shall have one (1) option to extend the Term for ten (10) years, if 6 to 12 months advance notice to exercise is provided, commencing on May 1, 2030 and expiring on April 30, 2040 under the same terms and conditions except that there will be no further right to extend or renew the Term and that Basic Rent will be at the then market value rates, not to be less than the Basic Rent paid in the last twelve (12) month period of the original Term.
Use:	The Property shall be solely used for the purposes of a banquet facility with the ability to offer food and beverage events. Without limitation to the foregoing, the Tenant acknowledges that its use and occupation of the Property is not permitted to violate the exclusivity rights granted to the Tenant of the Horticulture Building.
Tenant's Signage:	The Tenant may install identification signage or banners, but not third party advertising, on the exterior of the foyer entrance to the Building and within the Leased Property. The size, form, type, colour, design, content and location of the exterior signs shall require the prior written approval of the CEO of Exhibition Place. The Tenant shall be responsible for the cost of all signage.
Leasehold Improvements	<ul style="list-style-type: none"> <li>The Tenant shall make significant investments in the Leased Property and, as a minimum, spend approximately \$450,000.00 in leasehold improvements to the kitchen / bar area, front lobby / entrance and washroom fixtures within the first twelve (12) months of the Term. The Tenant has confirmed they have already spent \$800,000.00 and have met this requirement.</li> </ul>
Tenant Maintenance Obligations:	The Tenant shall, at its sole cost, operate, maintain and repair the Leased Property in a good condition in keeping with a first-class entertainment facility.
Landlord Maintenance Obligations:	At the Landlord's expense, maintenance of foundation, structure, roof, HVAC, snow removal and grounds maintenance surrounding the building.
Insurance:	The Tenant will maintain:

- Tenant property insurance (excluding building)
- Comprehensive General Liability Insurance for up to \$5,000,000.00 per occurrence
- Standard owner's automobile liability insurance for up to \$1,000,000.00 per occurrence.
- Standard non-owned automobile liability insurance for up to \$1,000,000.00 per occurrence.
- Builder's risk insurance

**Tenant Assignment:** Tenant may assign the lease only with the City's consent which can be unreasonably withheld. Tenant must also assign the QET lease at same time to same party, if doing so.

**Joint Default:** Any default by the Tenant under this lease will constitute a default under the QET lease.

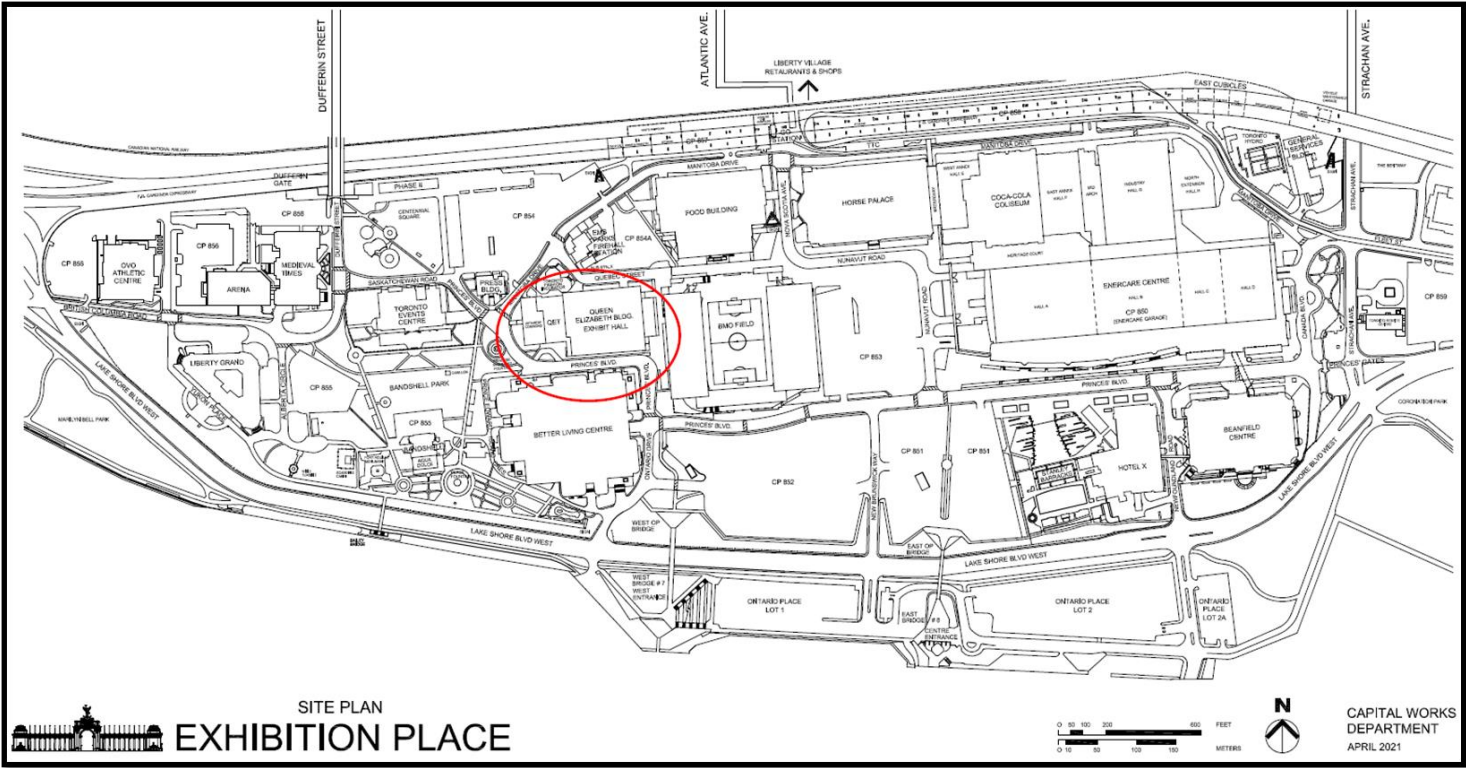
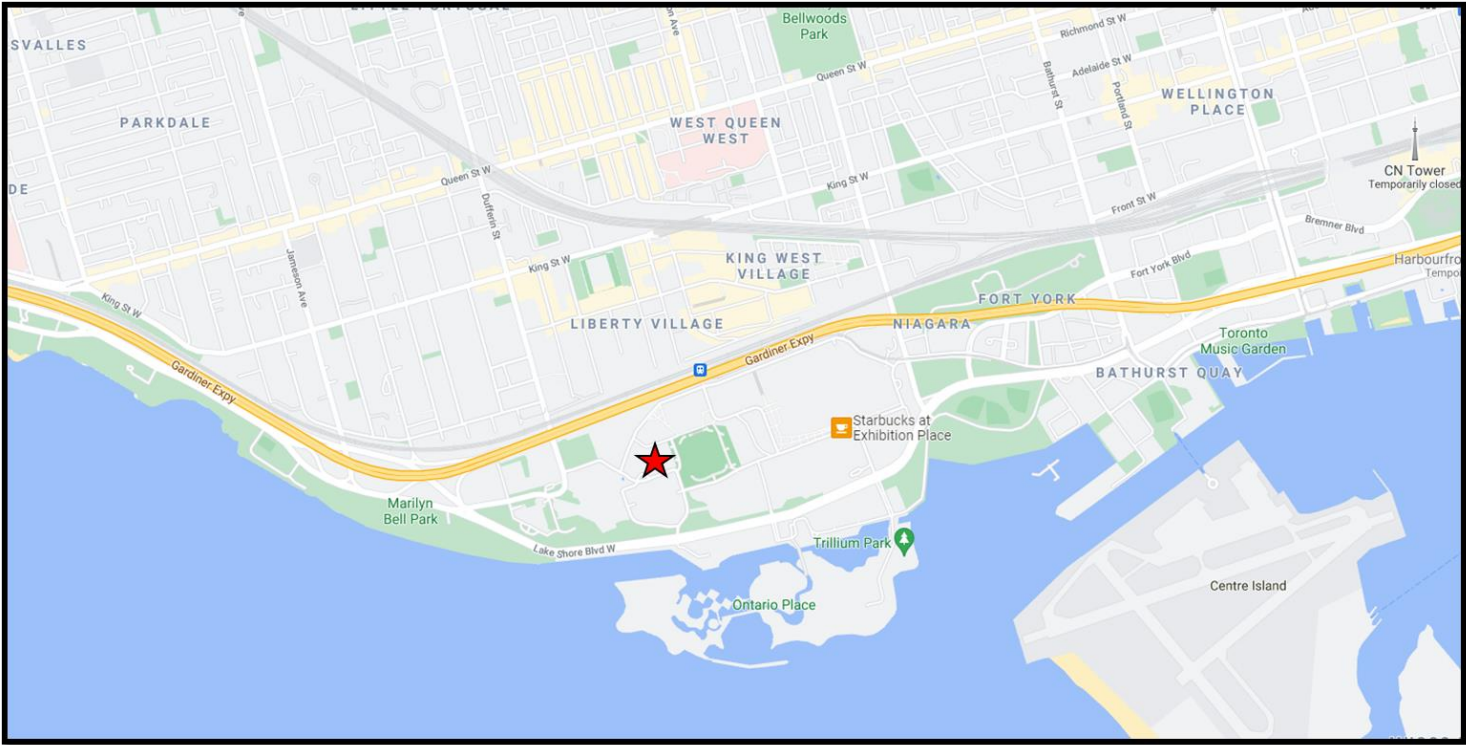
**Restoration of the Premises:** Upon expiration or termination of the Lease, Tenant to return the Property in the condition the Tenant was required to maintain the property and remove all the Tenant's chattels, fixtures and leasehold improvements that the Landlord requires to be removed

**Additional Provisions:**

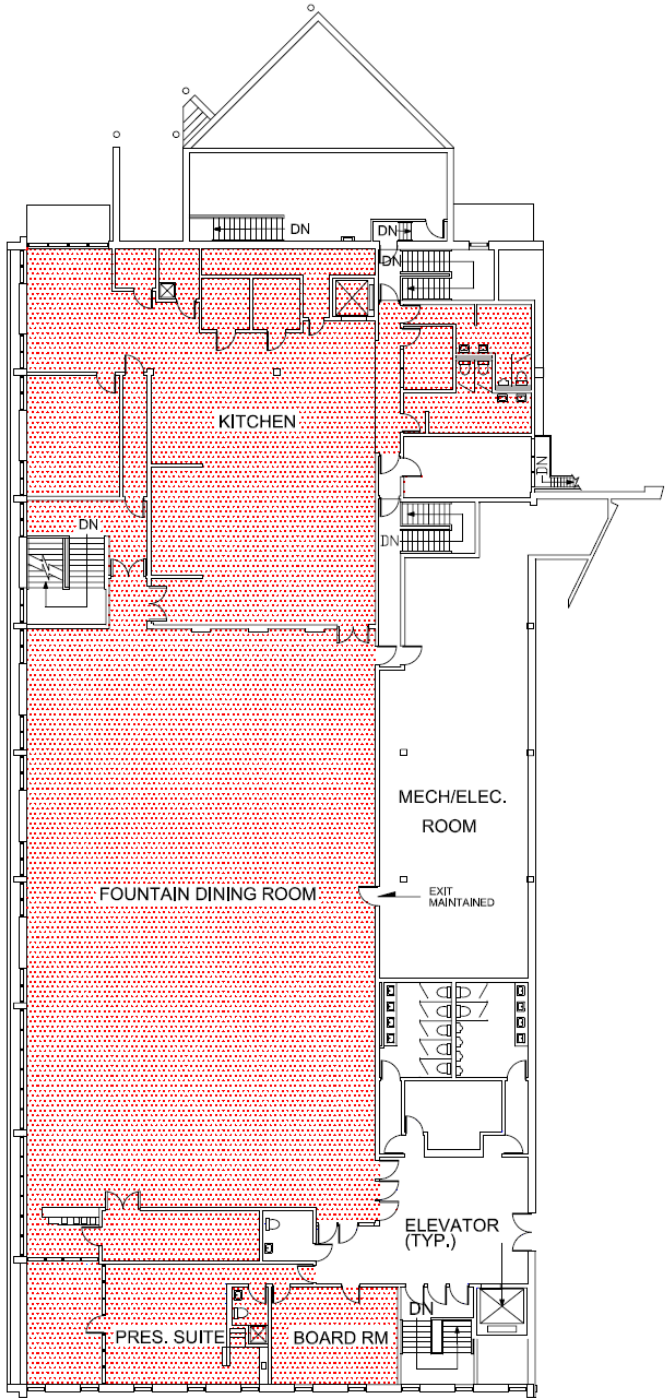
- Leased Property is leased in an "as is, where is" condition.
- Landlord or the Board can book the facility for events spanning 5 days or less subject to a maximum of 3 months' notice.
- The kitchen equipment listed in the Lease will remain in the Leased Property in its as is condition.

**Appendix "B"**

**Location Maps**



Leased Property

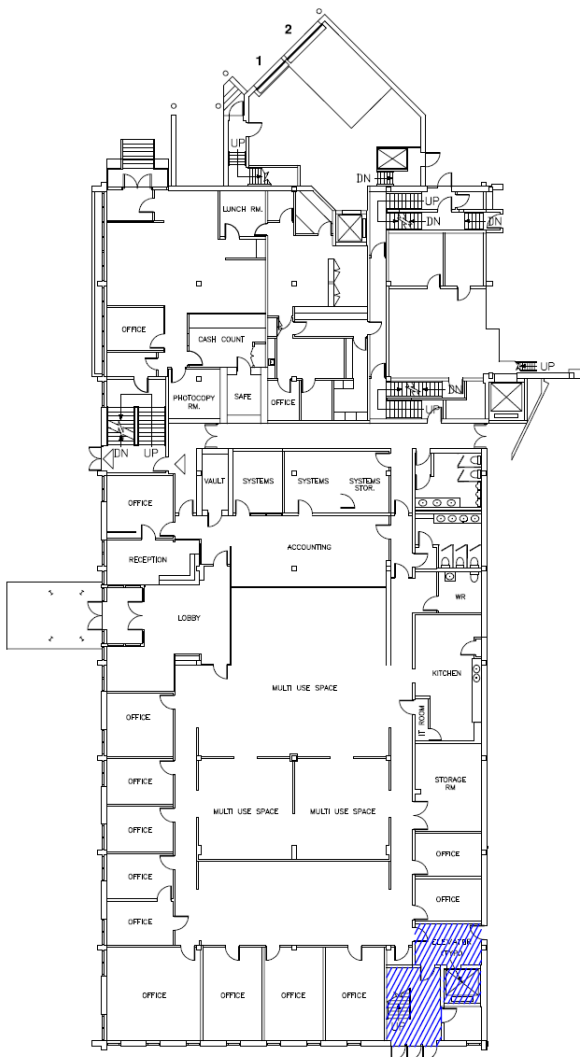


FOUNTAIN DINING ROOM  
QUEEN ELIZABETH BUILDING - SECOND FLOOR



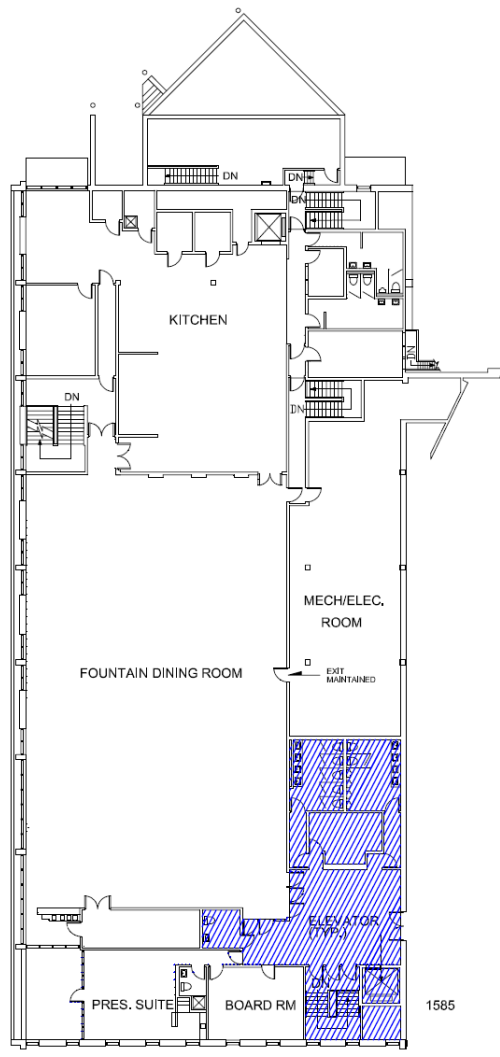
LEASED AREA

# Common Space and Second Floor Washrooms



QUEEN ELIZABETH BUILDING - MAIN FLOOR

 COMMON SPACE

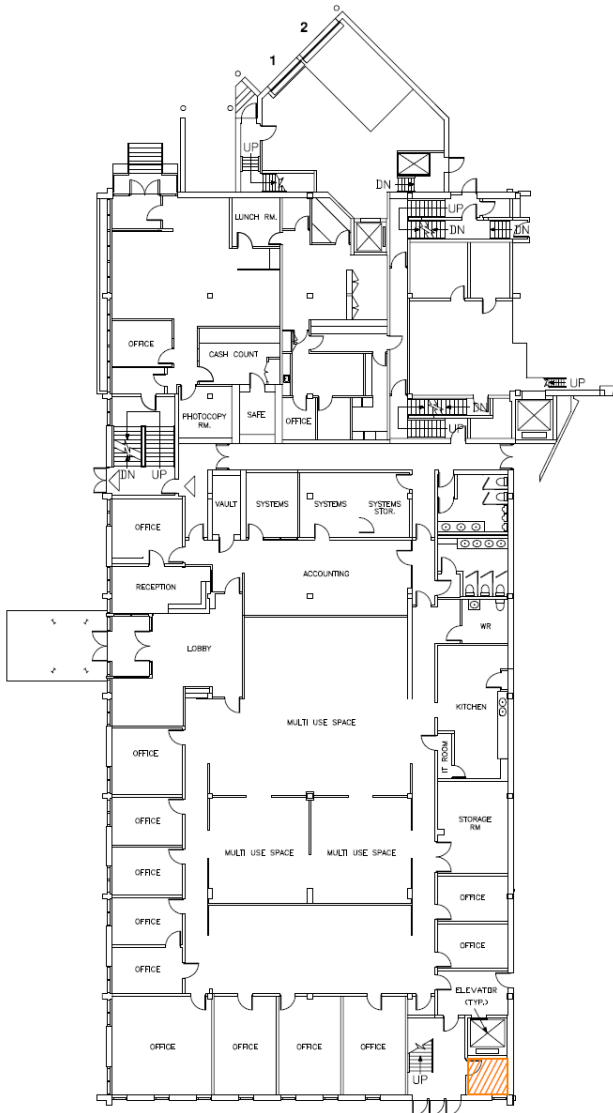


FOUNTAIN DINING ROOM  
QUEEN ELIZABETH BUILDING - SECOND FLOOR

 COMMON SPACE & SECOND FLOOR WASHROOMS

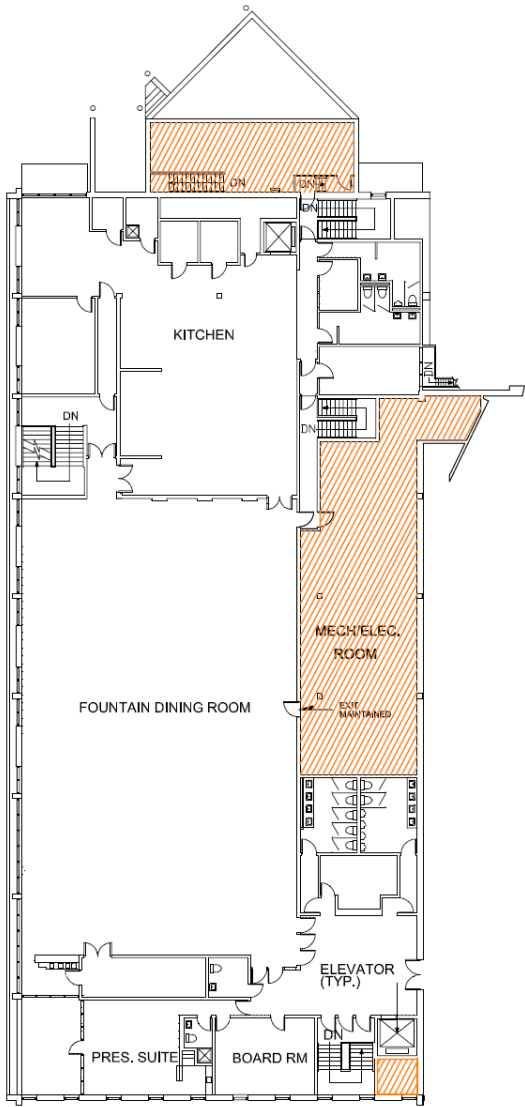


**Maintenance Areas**



QUEEN ELIZABETH BUILDING - MAIN FLOOR

 MAINTENANCE AREAS



FOUNTAIN DINING ROOM  
QUEEN ELIZABETH BUILDING - SECOND FLOOR

 MAINTENANCE AREAS