

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

TRACKING NO.: 2021-197

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

Prepared By:	Joe Corigliano	Division:	Corporate Real Estate Management
Date Prepared:	September 7, 2021	Phone No.:	416 392-1167

Purpose	To obtain authority for the City of Toronto, as tenant, to enter into a lease agreement with Toronto Community Housing Corporation, as landlord, for a Two (2) year Ten (10) month term commencing March 1st, 2021, substantially on the terms and conditions set out herein in Appendix "A" and Appendix "B".										
Property	The leased area is on the ground floor of the building municipally known as 3947 Lawrence Avenue East, in the City of Toronto having an approximate area of 6,506 sq. ft., together with a contiguous outdoor play area being approximately 4,049 sq. ft. and is shown on Schedule "C", attached hereto.										
Actions	<ol style="list-style-type: none"> 1. Authority is granted to enter into a Lease Agreement between the City of Toronto ("City"), as tenant, and Toronto Community Housing Corporation ("TCHC"), as landlord, substantially on the terms and conditions outlined below, and on such other or amended terms and conditions as may be satisfactory to the Executive Director of Corporate Real Estate Management (the "Executive Director"), and in a form acceptable to the City Solicitor. 2. The Executive Director or his designate shall administer and manage the Agreement including the provision of any consents, approvals, waivers, notices and notices of termination provided that the Executive Director may, at any time, refer consideration of such matter to City Council for its determination and direction. 3. The appropriate City Officials are authorized and directed to take the necessary action to give effect thereto. 										
Financial Impact	<p>Gross rent has been set for the lease agreement at \$22.02 per square foot for the first year of the term and will be increased by 3% per annum for every successive year in the term of the lease. The total expenditure for the Renewal Agreements for the Two (2) year Ten (10) month term is estimated to be approximately \$418,931.87 plus applicable taxes as shown on Appendix "B". The total expenditure for the Renewal Agreement including the Option to Renew is \$1,250,057.89.</p> <p>Total cost to the City for 2021 is \$119,385.10 and funding is available in the 2021 Council Approved Operating Budget for Children's Services under cost center E1846D. Repairs and maintenance costs to the Child Care Centers will be absorbed within the 2021 Council Approved Operating Budget for Children's Services.</p> <p>Future year expenditures will be referred to the City's annual budget process and will be included as part of the 2022 and future year budget submissions for Children's Services for Council consideration. See Appendix B for annual cost to the City for future years.</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>On August 25, 26, 27 and 28, 2014, City Council adopted item number GM32.21 authorizing the City to enter into fifteen (15) lease agreements for directly operated Early Learning and Child Care programs with TCHC for a five (5) year term, commencing January 1, 2014 (the "2014 Leases"). The 2014 Leases permit the City to renew these leases for one additional term of five (5) years.</p> <p>On July 23 2019 City Staff Re negotiated 13 lease renewal agreements of those original 15 leases. DAF 2019-072 reflects those new agreements (two were no longer required).</p> <p>City Staff have negotiated a new additional lease at the Lawrence Orton Child Care Facility (3974 Lawrence Ave E) and is to be added to the 13 lease renewal agreements bring the total number of leases to 14 agreements with TCHC.</p> <p>This new Lease agreement will reflect the remaining term and rates reported in DAF 2019-072 for the above-mentioned 13 lease renewal agreements.</p>										
Property Details	<table border="1"> <tr> <td>Ward:</td> <td>24-Scarborough-Guildwood</td> </tr> <tr> <td>Assessment Roll No.:</td> <td></td> </tr> <tr> <td>Approximate Size:</td> <td></td> </tr> <tr> <td>Approximate Area:</td> <td>(Approx 6,506 sq. ft, Day Care) (4,049 sq. ft, Playground)</td> </tr> <tr> <td>Other Information:</td> <td></td> </tr> </table>	Ward:	24-Scarborough-Guildwood	Assessment Roll No.:		Approximate Size:		Approximate Area:	(Approx 6,506 sq. ft, Day Care) (4,049 sq. ft, Playground)	Other Information:	
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Other Information:											

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 checked="" 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 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:	Councillor P Ainsile	Councillor:	
Contact Name:	P.Ainsile	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 (July 23 rd 2021)	Comments:	

Consultation with Divisions and/or Agencies

Division:	Children's Services	Division:	Financial Planning
Contact Name:	Nino Dodaro	Contact Name:	Patricia Libardo
Comments:	Concurs (July 8th,2021)	Comments:	Concurs (July 13 th 2021)

Legal Services Division Contact

Contact Name: Michele Desimone Concurs (July 23rd 2021)

DAF Tracking No.: 2021-197	Date	Signature
Recommended by: Manager, Real Estate Services	Sept 15 2021	Signed By: Peter Cheng
Recommended by: Director, Real Estate Services	Sept 16 2021	Signed By: Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	Sept 16 2021	Signed By: Patrick Matozzo
<input type="checkbox"/> Approved by: Patrick Matozzo		
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli		

DAF2021-197

Appendix "A" Major Terms and Conditions Lease Agreements

Property Address	Child Care Center Name	Ward No.	Sq. Ft. Area	Parking Spots
3947 Lawrence Avenue East	Lawrence Orton Child Care Facility	24	6506 Sqf on the ground floor plus outdoor Play area of 4049 Sqf	4 spots

Landlord:

TCHC

Term:

Two (2) year Ten (10) Month term, commencing on March 1, 2021 and ending on December 31, 2023 (the "Term").

Use:

The operation of child care centres offering day care services consistent with the *Child Care and Early Years Act, 2014* or any successor legislation.

Rent:

\$22.02 gross per square foot, increased by 3% per annum for every successive year in the term of the lease, inclusive of air conditioning, heating, hydro, water, parking spaces and parking maintenance costs.

Additional Rent:

The City arranges at its expense waste management services.

Termination:

Either TCHC or the City may terminate the Renewal Agreements at any time during the Term provided that TCHC or the City gives the other party not less than one hundred and eighty (180) days prior written notice.

Renewal:

Lease for one additional term of Five (5) Years. In order to exercise its option to renew this Lease, the *Tenant* must give to the *Landlord* notice of renewal in writing not less than six (6) months before the date of expiry of the *Term*

Repairs:

The City agrees to provide interior maintenance and repair to the Child Care Centres, at its expense, including janitorial cleaning, repainting, pest control, purchase and maintenance of air conditioning units, provision of portable fire extinguishers, and replacement flooring if deemed necessary by the City.

The City agrees to maintain and repair playgrounds, as the City deems necessary for the use under this agreement, throughout the Term.

Municipal Capital Facility:

TCHC acknowledges that the City has the right in its discretion, to request Council to exempt the leased premises from taxation for municipal and school purposes if the City considers that the leased premises may be used as a municipal capital facility. Provided Council grants satisfactory approval to this effect, TCHC agrees to enter at its sole cost and expense into the necessary municipal capital facility agreement with the City pursuant to Section 252(1) of *City of Toronto Act, 2006*, as amended, in a form acceptable to the City Solicitor and legal counsel for TCHC and to pass the full benefit of such exemption onto the City during the entire period of any such exemption.

Redevelopment of Site:

If TCHC decides to substantially develop or redevelop any of the properties containing the Child Care Centres, or a portion thereof, and said development or redevelopment requires the relocation of the City, then;

1. TCHC shall give the City not less than one hundred and eighty (180) days' written notice of TCHC's intention to relocate the tenant to another property owned or operated by TCHC;
2. TCHC shall pay for all costs associated with the relocation.

DAF 2021 -197

Appendix "B" – Annual rents from March 1st 2021 to December 31st 2023

Negotiated Flat Rate Per Sq Ft with TCHC		
Year 1 (2021)	Year 2 (2022)	Year 3 (2023)
\$ 22.02 SqF	\$ 22.68 SqF	\$ 23.36SqF

		Gross Rent Per Month		
Address	Total Comm. Area (SqF)	Year 1 (2021)	Year 2 (2022)	Year 3 (2023)
3947 Lawrence Ave E.	6,506	\$11,938.51	\$12,296.67	\$12,665.57

		Gross Rent Per Annum		
Address	Total Comm. Area (SqF)	Year 1 (2021)	Year 2 (2022)	Year 3 (2023)
3947 Lawrence Ave E.	6,506	\$119,385.10	\$147,559.98	\$151,986.78
Total Rental Expenditure Over 2 Years 10 Months (*Year 1 is 10 Months)		\$418,931.87		

Appendix "C" – Location Map

