

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

TRACKING NO.: 2021-290

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

Prepared By:	Glenn Zeta	Division:	Corporate Real Estate Management
--------------	------------	-----------	----------------------------------

Date Prepared:	October 19, 2021	Phone No.:	416-338-7612
----------------	------------------	------------	--------------

Purpose	To obtain authority for the City of Toronto ("the City") to enter into a lease agreement with 11663372 Canada Inc.
Property	The lands known municipally as 207 McCaul Street, Toronto as described in Appendix "B" (the "Property").
Actions	<ol style="list-style-type: none"> 1. Authority be granted for the City to enter into a lease agreement with 116633872 Canada Inc., carrying on business as Tong Mein, on the terms and conditions contained herein and on such other or further terms and conditions as may be agreed to by the Director, Transaction Services, or her delegate in consultation with the Vice-President, Toronto Parking Authority ("TPA"), or his delegate and in a form acceptable to the City Solicitor. 2. The appropriate City staff be authorized and directed to take the necessary action to give effect thereto.
Financial Impact	<p>The total revenue to the City for the ten (10) year Term (as defined herein) will be \$594,000.00 plus HST and applicable taxes. The property taxes, operating and maintenance costs associated with the Property during the Term will be paid by the Tenant directly to TPA according to the terms of the Lease. Details of annual revenue, exclusive of HST, can be found in Schedule "A" attached hereto.</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	The Property is a stand-alone historic building located within the TPA's 35-space surface carpark. The TPA purchased the property in 2003, when there were two houses on site. Due to safety concerns, 205 McCaul was demolished. 207 McCaul remained and was leased to University Health Network (UHN) since January 2008 for their general office and medical administration purposes. The property has been vacant since 2017. TPA requested to use broker services in leasing out the property to generate revenue. In 2020, Avison Young was hired by the City and TPA in finding a tenant. The premises has been marketed by Avison Young and the commission affiliated with the new lease is \$1.00 psf. annually for the rest of the term.
Terms	<i>Please see Appendix A.</i>

Property Details	Ward:	11 – University-Rosedale
	Assessment Roll No.:	1904 065 590 00700 0000
	Approximate Size:	n/a
	Approximate Area:	167.23 m ² ± (1800 ft ² ±)
	Other Information:	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 & Parks & 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>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</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>Delegated to more senior positions.</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>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</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>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</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 & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p>Delegated to more senior positions.</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>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</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:	Mike Layton	Councillor:		
Contact Name:	Mike Layton	Contact Name:		
Contacted by:	Phone	E-Mail	Memo	Other
Comments:	Concurred – September 8, 2021			Comments:

Consultation with Divisions and/or Agencies

Division:	Toronto Parking Authority	Division:	Financial Planning
Contact Name:	Jeffry Dea	Contact Name:	Patricia Libardo
Comments:	Concurred – September 9, 2021	Comments:	Comments Incorporated – September 13, 2021

Legal Services Division Contact

Contact Name:	Michele Desimone
---------------	------------------

DAF Tracking No.: 2021- 290	Date	Signature
Concurred with by: Manager, Real Estate Services		X
<input type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas	Oct. 25, 2021	Signed by Daran Somas
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	Oct. 28, 2021	Signed by Alison Folosea

Appendix "A"
Major Terms and Conditions

Landlord: City of Toronto

Tenant: 11663372 Canada Inc.

Leased Area: Approximately 1800 square feet

Use: The premises will be used for the purposes of a commercial kitchen and retail store.

Term: Ten (10) years commencing May 1, 2022 or a commencement date mutually agreeable to both parties subject to approvals with the Tenant being granted a six (6) month fixturing period, immediately prior which is anticipated to commence November 1, 2021.

Basic Rent:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL
Net Rent	\$55,800.00	\$55,800.00	\$55,800.00	\$55,800.00	\$55,800.00	\$63,000.00	\$63,000.00	\$63,000.00	\$63,000.00	\$63,000.00	\$594,000.00
Per Month	\$4,650.00	\$4,650.00	\$4,650.00	\$4,650.00	\$4,650.00	\$5,250.00	\$5,250.00	\$5,250.00	\$5,250.00	\$5,250.00	
Operating Costs, Hydro, Taxes	\$9,630.00	\$9,823	\$10,019	\$10,219	\$10,424	\$10,632	\$10,845	\$11,062	\$11,283	\$11,509	\$105,446

Option to Extend: The Tenant has the option to renew for a further period of five (5) years.

Additional Rent: The Lease shall be a Net Lease and the Tenant shall pay as Additional Rent as provided in the Lease which shall include the Tenant's proportionate share of realty taxes, insurance, maintenance. Additional Rent is estimated to be \$5.35 psf/annum for 2021.

Utilities & HVAC: The Tenant must pay for all utilities consumed on the Premises, which must be directly metered or sub-metered to the Premises at the Landlord's sole cost and expense.

Commission: \$1.00 psf annually for the rest of term.

Security Deposit: Tenant to provide first month and last month basic rent and additional rent as security deposit.

Appendix "B"
Location Map and Property

