

DELEGATED APPROVAL FORM

CITY MANAGER

TRACKING NO.: 2021-292

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

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| Prepared By: | Avery Carr | Division: | Corporate Real Estate Management |
| Date Prepared: | November 5, 2021 | Phone No.: | 647-458-1934 |

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| Purpose | To obtain authority for the City of Toronto (the "City"), as tenant, to provide a payment of additional rent to 2245883 Ontario Inc. (the "Landlord"), for a portion of insurance costs for the temporary shelter at the Roehampton Hotel located at 808 Mount Pleasant Road. |
| Property | Entirety of the property, including 109 units located at the property municipally known as 808 Mount Pleasant Road, City of Toronto (the "Property") as shown on the Location Map in Appendix "A". |
| Actions | 1. Authority be granted for the City as tenant to pay additional rent to the Landlord on the terms set out herein, including such other terms and conditions as may be deemed appropriate by the Executive Director, Corporate Real Estate Management ("ED") and in a form acceptable to the City Solicitor. |
| Financial Impact | <p>Additional Rent: \$350,182.20 (plus HST) for the period from November 23, 2020 to November 22, 2021 and up to a maximum of \$200,000 (plus HST) for the period from November 23, 2021 to May 31, 2022, for a total cost of \$550,182.20 (plus HST).</p> <p>DAF 2020-130 provides authority for a two (2) year term plus two (2) successive options to extend the term for periods of six (6) additional months each, for a total maximum base rent of \$6,564,525 (plus HST). With the additional rent costs, the total cost to the City will be a maximum of \$7,114,707.20.</p> <p>The City shall continue to be responsible for additional rent, being all costs arising from its use of the property including any operating costs, minor repairs and maintenance, utilities and taxes.</p> <p>The expenditures outlined above reflect COVID-19 related financial impacts which are being tracked and monitored corporately. The immediate and short-term impacts will be funded by leveraging and/or redirecting federal/provincial funding with longer term financial impacts anticipated to be funded from the COVID-19 recovery fund. Funding for the expenditures outlined above have been referred to the City's annual budget process and have been included in the 2022 – 2024 Operating Budget Submission for Shelter, Support and Housing Administration under cost center HS100X for Council consideration.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information</p> |
| Comments | As authorized by DAF 2020-130, the City entered into a lease agreement with the Landlord for a temporary shelter use for a term of 2 years ending on May 31, 2022. Due to the temporary shelter use, and hardening of the insurance market during the pandemic, the Landlord's insurer discontinued coverage and cancelled the policy. The Landlord had to secure insurance at higher rates, and issued an invoice to the City dated May 13, 2021 for increased property insurance costs for the period of November 2020 to November 2021. The City's Insurance and Risk Management Group were consulted, and agreed that the insurance market had tightened significantly during the Covid-19 pandemic. The City worked to mitigate the Landlord's insurance risk, but there were requirements that could not be met. As a final option to prevent lease termination, the City reached agreement with the Landlord to pay a portion of the Landlord's increased insurance costs. |
| Terms | <p>For the period November 23, 2020 to November 22, 2021, the City to pay a portion of the Landlord's increased insurance costs in the amount of \$350,182.20 (plus HST). For the period November 23, 2021 to November 30, 2022, the City to pay an amount up to a maximum of \$200,000 (plus HST). As the cost for November 23, 2021 to May 31, 2022 has not yet been determined, the Landlord has agreed to work with the City to keep these costs as low as possible. If such amount exceeds \$200,000, further City authority will be required.</p> <p>Corporate Real Estate Services considers the Additional Rent payments to be fair and reasonable.</p> |

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| Property Details | Ward: | 12 – Toronto St Paul's |
| | Assessment Roll No.: | |
| | Approximate Size: | |
| | Approximate Area: | |
| | Other Information: | |

| A. | City Manager has approval authority for: |
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| 1. Acquisitions: | <input type="checkbox"/> Where total compensation does not exceed \$10 Million. |
| 2A. Expropriations Where City is Expropriating Authority: | <input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 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 \$10 Million. |
| 3. Issuance of RFPs/REOs: | Request/waive hearings of necessity delegated to less senior positions. |
| 4. Permanent Highway Closures: | Delegated to less senior positions. |
| 5. Transfer of Operational Management to Divisions, Agencies and Corporations: | Delegated to less senior positions. |
| 6. Limiting Distance Agreements: | <input type="checkbox"/> Where total compensation does not exceed \$10 Million. |
| 7. Disposals (including Leases of 21 years or more): | <input type="checkbox"/> Where total compensation does not exceed \$10 Million. |
| 8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan: | Delegated to less senior positions. |
| 9. Leases/Licences (City as Landlord/Licensor): | <input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$10 Million. Leases/licences for periods up to 12 months at less than market value delegated to less senior positions. Leases pursuant to the Community Space Tenancy Policy delegated to a less senior position. |
| 10. Leases/Licences (City as Tenant/Licensee): | <input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million. |
| 11. Easements (City as Grantor): | <input type="checkbox"/> Where total compensation does not exceed \$10 Million. Nominal sum easements to pre-existing utilities when closing roads delegated to less senior positions. |
| 12. Easements (City as Grantee): | <input type="checkbox"/> Where total compensation does not exceed \$10 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)). |
| 14. Miscellaneous: | Delegated to less senior positions. |

| B. City Manager has signing authority on behalf of the City for: |
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| <ul style="list-style-type: none"> Documents required to implement matters for which this position also has delegated approval authority. |

Pre-Condition to Approval

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| <input checked="" type="checkbox"/> Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property |
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Consultation with Councillor(s)

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| Councillor: | Councillor Matlow | Councillor: | Councillor Robinson |
| Contact Name: | Andrew Athanasiu | Contact Name: | Rachel Van Fraassen |
| Contacted by: | Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/> | Contacted by: | Phone <input checked="" type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/> |
| Comments: | Notified (Nov 3, 2021) | Comments: | Notified (Nov 3, 2021) |

Consultation with Divisions and/or Agencies

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|---------------|---|---------------|---------------------------|
| Division: | Shelter, Support and Housing Administration | Division: | Financial Planning |
| Contact Name: | Loretta Ramadhin | Contact Name: | Ciro Tarantino |
| Comments: | No concerns (Oct 19, 2021) | Comments: | No comments (Nov 3, 2021) |

Legal Services Division Contact

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|---------------|-----------------------------------|
| Contact Name: | Soo Kim Lee (Oct 19, 2021) |
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| DAF Tracking No.: 2021-292 | Date | Signature |
|---|---------------|---------------------------|
| Recommended by: Manager, Real Estate Services | Nov. 19, 2021 | Signed by Daran Somas |
| Recommended by: Director, Real Estate Services | Nov. 19, 2021 | Signed by Alison Folosea |
| <input checked="" type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management Patrick Matozzo | Nov. 23, 2021 | Signed by Patrick Matozzo |
| <input checked="" type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services Josie Scioli | Nov. 23, 2021 | Signed by Josie Scioli |
| <input checked="" type="checkbox"/> Approved by: City Manager Chris Murray | Nov. 16, 2021 | Signed by Chris Murray |

Appendix "A"

Location Map

