

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

TRACKING NO.: 2021-134

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

Prepared By:	Avery Carr	Division:	Corporate Real Estate Management
Date Prepared:	April 27, 2021	Phone No.:	647-458-1934

Purpose	To obtain authority for the City of Toronto (the "City"), as tenant, to enter into a lease extension and amending agreement (the "Lease Extension Agreement") with Queen Kingston Holdings Inc. (the "Landlord"), for the continued use of the building located at 1684 Queen Street East, Toronto, for the purpose of a temporary shelter.
Property	Entirety of the property, including 50 units located at the property municipally known as 1684 Queen Street East, City of Toronto (the "Property") as shown on the Location Map in Appendix "B".
Actions	1. Authority be granted to enter into a Lease Extension and Amending Agreement with the Landlord for an extension term of three (3) months, commencing on July 28, 2021 and expiring on October 27, 2021, with a further option to extend for five (5) months and four (4) days, 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 Director, Transaction Services (the "Director") 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 Lease:</p> <ol style="list-style-type: none"> 1. DAF 2020-114 authorized the Rent for the three (3) month extension term. 2. For the further option to extend for five (5) months and four (4) days, total cost to the City will be \$101,393.96 (plus HST) per month (50 units x \$2,027.88 per month), or \$103,178.49 (net of HST recoveries) payable in monthly installments for total net rent for the option term of \$520,303.80 (plus HST), or \$529,461.15 (net of HST recoveries). 3. The City shall 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>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 is available in the 2021 Council Approved Operating Budget for Shelter, Support & Housing Administration under cost centre F03702.</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 continues to experience an unprecedented demand for shelter and respite services for its residents. By an Offer to Lease dated April 27, 2020 (the "Lease"), the City leased the Property from the Landlord for a term commencing on April 28, 2020 and expiring on July 27, 2021. The Lease provided for the option to extend of three (3) months, which is being exercised, with the extended term expiring on October 27, 2021.</p> <p>The Property consists of a 50 unit building. The Property will continue to be used to provide temporary accommodation for shelter clients and other shelter needs. The facility will continue to be operated by a service provider as deemed appropriate by SSHA.</p> <p>The major terms and conditions remain the same as the original Lease with the exception of those outlined in Appendix "A". SSHA has approved the proposed Lease Extension Agreement and confirmed that the 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 the proposed Lease Extension Agreement to be fair and reasonable and reflective of market rates.</p>
Terms	Refer to Appendix "A" for the Terms and Conditions

Property Details	Ward:	19 – Beaches East York
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	
	Other Information:	

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 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 checked="" 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:	Councillor Bradford	Councillor:	
Contact Name:	Rishab Mehan	Contact Name:	
Contacted by:	Phone <input type="checkbox"/> X E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>	Contacted by:	Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	No objections (Apr 28, 2021)	Comments:	

Consultation with Divisions and/or Agencies

Division:	Shelter, Support & Housing Administration	Division:	Financial Planning
Contact Name:	Loretta Ramadhin, Project Director	Contact Name:	Patricia Libardo
Comments:	Comments incorporated (Apr 27, 2021)	Comments:	No concerns (May 3, 2021)

Legal Services Division Contact

Contact Name: Soo Kim Lee (Apr 27, 2021)

DAF Tracking No.: 2021-134	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Supervisor, Real Estate Services Van Hua	May 4, 2021	Signed by Van Hua
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	May 6, 2021	Signed by Alison Folosea

Appendix "A"
Revised Major Terms and Conditions

1. Extended Term: The Term is extended for three months, from July 28, 2021 to expire on October 27, 2021 ("First Extension Term").
2. Minimum Rent: shall be payable throughout the First Extension Term in the same amount as set out in Section 4(1) of the Lease.
3. Termination Right: The right to terminate the Lease early, as set out in Section 2(3) of the Lease, is deleted.
4. Option to Further Extend: So long as the Tenant has not been in default under the Lease beyond any applicable cure period, the Tenant shall have the option to further extend the Term for an additional period of **five (5) months and four (4) days**, commencing on the 28th day of October, 2021 and expiring on the 31st day of March, 2022 (the "**Second Extension Term**"), on the same terms and conditions as the Lease (as amended), save and except for any further option to extend, by giving written notice to the Landlord at least forty-five (45) days prior to the end of the First Extension Term. For clarity, if the Tenant remains in possession after the expiration of the Second Extension Term, without the written consent of the Landlord, it shall be considered a tenancy at sufferance terminable by either party upon thirty (30) days' written notice.
5. Environmental Testing: Without limiting the scope of the last paragraph of Section 7 of the Lease, the Tenant agrees that the Landlord's environmental engineer or other qualified consultant may enter upon the Premises upon at least forty-eight (48) hours' prior notice to make drilling sample holes in the basement of the building and to remove samples of drywall from some of the hotel rooms for environmental testing. Provided the Tenant's use of the Premises is not unduly interfered with, such activities shall not give rise to any claims by the Tenant for abatement of Rent.
6. Fencing / Smoking Area / Parking: Commencing on or about May 1, 2021, the Landlord will be permitted to install protective fencing (the "Fencing") along the east side of the Premises, in the location shown outlined in red on Schedule "A" attached to the Lease Extension and Amending Agreement (the "Plan"). As part of the Fencing installation and the Landlord's redevelopment of the neighbouring property, the parties agree as follows:
 - (a) there will be a protected walkway along the east side of the Premises:
 - (i) the north end of the walkway (as shown coloured in pink on the Plan) will be designated as the Tenant's new outdoor smoking area and will be separated from the remainder of the walkway by a gate, as shown on the Plan; and
 - (ii) the south end of the walkway (as shown coloured in green on the Plan) will provide direct access to Queen Street East;
 - (b) from and after the date the Landlord begins erecting the Fencing, the parking lot located on the Premises:
 - (i) will be used in connection with the demolition of 1698 Queen Street East (coloured in orange on the Plan) and 1700 Queen Street East (coloured in brown on the Plan) and to accommodate the Landlord's remediation and dewatering plans; and
 - (ii) will no longer form part of the Premises for any purpose.

Notwithstanding the foregoing, Rent shall not abate; and
 - (c) once the Fencing is erected, there will no longer be any parking available on the Premises for the Tenant's benefit. Accordingly, for the balance of the Term, the Landlord will provide five (5) reserved at-grade parking spots (the "Parking Spots") located nearby at 223 Woodbine Avenue for use by the Tenant's employees, at no cost to the Tenant. If requested by the Tenant, the Landlord will provide parking passes to the Tenant, for exhibit on the Tenant's employees vehicle dashboards.

Appendix "B"

Location Map

