

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

TRACKING NO.: 2021-132

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: | Patricia Chen | Division: | Corporate Real Estate Management |
| Date Prepared: | April 30 th , 2021 | Phone No.: | (416) 338 3583 |

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| Purpose | To obtain authority for the City of Toronto (the "City"), as sublicensee, to enter into a sublicense extension agreement (the "Extension Agreement") with Silver (Hotel Victoria) Inc. (the "Sublicensor"), for the continued use of Hotel Victoria, located at 56 Yonge Street, Toronto (the "Hotel"), for the purpose of a temporary shelter. |
| Property | 56 room units at Hotel Victoria located at the property municipally known as 56 Yonge Street, City of Toronto (the "Property") and shown on the Location Map in Appendix "B". |
| Actions | 1. Authority be granted to enter into the Extension Agreement for a term of eight (8) months, commencing on May 1, 2021 and expiring on December 31, 2021, 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 approving authority herein, 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 Extension Agreement:</p> <ol style="list-style-type: none"> The room rates will continue to be charged to the City at a rate of \$100.00/room/day (plus HST), being \$5,600.00/day (plus HST), payable monthly, in advance, throughout the extension term, for a total gross licence fee of \$1,372,000.00 (plus HST), or \$1,396,147.20 (net of HST recoveries). Licence Fee for the 30-day restoration period of \$168,000.00 (plus HST), or \$170,956.80 (net of HST recoveries). Catering costs of \$30/person/day, assuming full single occupancy; monthly catering expenses would be approximately \$50,400.00 (plus HST), or \$51,287.04 (net of HST recoveries) based on 30 days/month, for a total cost of \$411,600.00 (plus HST), or \$418,844.16 (net of HST recoveries) over the extension term. <p>Total financial implications to the City is \$1,951,600.00 (exclusive of HST) or \$1,985,948.16 (net of HST recoveries), based on the assumption of maximum capacity of 56 units. Funding is available in the 2021 Council Approved Operating Budget for Shelter, Support and Housing Administration ("SSHA") under account HS100X.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p> |
| Comments | <p>The City is experiencing an unprecedented demand for shelter and respite services for its residents due to COVID-19 and as a result, the City sublicenced the entire Property pursuant to the original signed sublicense proposal letter dated May 28, 2020 and accepted May 31, 2020 (the "Offer") which was entered into under the authority of DAF Tracking No. 2020-129 dated May 31, 2020. Pursuant to the Offer, the City sublicenced the Property for a term of three (3) months commencing on June 1, 2020 and expiring on August 31, 2020, with three (3) consecutive month-to-month options to extend for a total of three additional months. The City exercised the first monthly option to extend by a letter dated July 28, 2020; extending the term to September 30, 2020. In lieu of the second (2nd) and third (3rd) monthly options to extend provided for in the Offer, the City entered into an amendment and extension agreement (the "Original Extension Agreement") dated October 13, 2020 and accepted October 16, 2020 under the authority of DAF 2020-244, extending occupancy on similar terms and conditions at the Property for a term of seven (7) months commencing October 1, 2020 and expiring on April 30, 2021. The Offer, as extended by the letter dated July 28, 2020 and amended by the Original Extension Agreement are collectively referred to as the "Sublicence". The City is proposing to further extend its occupancy on the same terms and conditions, as set out in Appendix "A".</p> <p>The Property consists of 56 rooms in an 8-floor hotel building. The Property will continue to be used as a hotel for the purposes of a temporary emergency shelter and other shelter needs. The facility will be operated by a service provider(s) deemed appropriate by SSHA.</p> <p>SSHA has approved this proposed Extension Agreement and confirmed the continued 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 this Extension Agreement to be fair and reasonable and reflective of market rates.</p> |
| Terms | Refer to Appendix "A" for the applicable terms and conditions. |

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| Property Details | Ward: | 13 – Toronto Centre |
| | Assessment Roll No.: | |
| | Approximate Size: | |
| | Approximate Area: | |
| | Other Information: | |

| A. | Executive Director, Corporate Real Estate Management has approval authority for: | Deputy City Manager, Corporate Services has approval authority for: |
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| <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; 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> |

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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: |
| <ul style="list-style-type: none"> • 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)

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|---------------|-------------------------------|---------------|-------------------------------|
| Councillor: | Kristyn Wong-Tam | Councillor: | |
| Contact Name: | | Contact Name: | |
| Contacted by: | Phone E-Mail Memo Other | Contacted by: | Phone E-mail Memo Other |
| Comments: | | Comments: | |

Consultation with Divisions and/or Agencies

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|---------------|---|---------------|--------------------------------------|
| Division: | Shelter, Support & Housing Administration | Division: | Financial Planning |
| Contact Name: | Loretta Ramadhin | Contact Name: | Ciro Tarantino |
| Comments: | No changes required – April 30, 2021 | Comments: | No changes required – April 30, 2021 |

Legal Services Division Contact

Contact Name: Shirley Chow – April 29, 2021

| DAF Tracking No.: 2021-132 | Date | Signature |
|---|----------------|---------------------------|
| Recommended by: Manager, Real Estate Services: Daran Somas | April 30, 2021 | Signed by Daran Somas |
| Recommended by: Director, Real Estate Services: Alison Folosea | May 3, 2021 | Signed by Alison Folosea |
| <input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input checked="" type="checkbox"/> Approved by: Patrick Matozzo | May 3, 2021 | Signed by Patrick Matozzo |
| <input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli | | X |

Appendix "A"
Major Terms and Conditions

Sublicensor: Silver (Hotel Victoria) Inc.

Premises: 56 room units in the Hotel (including the non-exclusive right to use the common area and facilities, except the main floor restaurant) at 56 Yonge St, Toronto

Extension Term: Eight (8) months, commencing on May 1, 2021 and ending on December 31, 2021.

Licence Fee: The licence fee remains the same, at \$100.00/room/night, being \$5,600.00 (plus HST) per day throughout the Extension Term.

Permitted Use: The parties agree that the first sentence in the section entitled "Permitted Use" in the Offer shall be deleted, and replaced with the following: The City shall use the Premises solely for the purposes of a temporary emergency shelter and other shelter needs, with such related services, programs or other assistance and any such ancillary use as are considered appropriate by the City from time to time, which may include integrated prevention and harm reduction services, and an Urgent Public Health Needs Site.

Option to Extend: None.

Sublicence Agreement: The formal sublicence agreement shall be prepared by the City on the City's standard form and shall incorporate the terms of this Sublicence, as amended by this Agreement. The parties agree to negotiate in good faith to finalize the formal sublicence agreement and will use reasonable efforts to finalize the formal sublicence agreement by July 30, 2021. Notwithstanding any terms and conditions contained or not contained in this Agreement, all documentation shall be in a form and content satisfactory to the City Solicitor and the Sublicensor's Solicitor.

All other existing terms and conditions of the Sublicence are to remain the same.

Appendix "B" Location Map

