

# DELEGATED APPROVAL FORM

CITY MANAGER

TRACKING NO.: 2021-127

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

Prepared By:	Patricia Chen	Division:	Corporate Real Estate Management
Date Prepared:	April 22, 2021	Phone No.:	(416) 338 3583

<b>Purpose</b>	To obtain authority for the City of Toronto (the "City"), as tenant, to enter into a lease extension agreement (the "Extension Agreement") with 1310866 Ontario Limited (the "Landlord"), for the continued use of The Strathcona Hotel, located at 60 York Street, Toronto (the "Hotel"), for the purpose of a temporary shelter.
<b>Property</b>	194 room units at The Strathcona Hotel located at the property municipally known as 60 York Street, City of Toronto (the "Property") and shown on the Location Map in Appendix "B".
<b>Actions</b>	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 City Manager and in a form acceptable to the City Solicitor.
<b>Financial Impact</b>	<p>The following costs will be incurred by the City in connection with the Extension Agreement:</p> <ol style="list-style-type: none"> <li>1. The room rates will continue to be charged to the City at a rate of \$100.00/room/day (plus HST), being \$19,400.00/day (plus HST), payable monthly, in advance, throughout the extension term, for a total gross rent of \$4,753,000.00 (plus HST), or \$4,836,652.80 (net of HST recoveries).</li> <li>2. Rent for the 30-day restoration period of \$582,000.00 (plus HST), or \$592,243.20 (net of HST recoveries).</li> <li>3. Catering costs of \$30/person/day, assuming full single occupancy; monthly catering expenses would be approximately \$174,600.00 (plus HST), or \$177,672.96 (net of HST recoveries) based on 30 days/month, for a total cost of \$1,425,900.00 (plus HST), or \$1,450,995.84 (net of HST recoveries) over the extension term.</li> </ol> <p>Total financial implications to the City is \$6,760,900.00 (exclusive of HST) or \$6,879,891.84 (net of HST recoveries), based on the assumption of maximum capacity of 194 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>
<b>Comments</b>	<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 leased the entire Property pursuant to the original signed lease proposal letter dated April 10, 2020 (the "Offer") which was entered into under the authority of DAF Tracking No. 2020-104 dated April 10, 2020. Pursuant to the Offer, the City leased the Property for a term of three (3) months commencing on April 10, 2020 and expiring on July 9, 2020, with automatic extensions on a month-to-month basis for up to an additional three (3) month, expiring on October 9, 2020. The City entered into a lease amendment and extension agreement dated September 16, 2020 and accepted September 25, 2020 (the "Original Extension Agreement") under the authority of DAF 2020-243, extending occupancy on similar terms and conditions at the Property for a term of six (6) months and twenty-two (22) days commencing October 10, 2020 and expiring on April 30, 2021. 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 194 rooms in a 14-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>
<b>Terms</b>	Refer to Appendix "A" for the applicable terms and conditions.

<b>Property Details</b>	<b>Ward:</b>	10 – Spadina – Fort York
	<b>Assessment Roll No.:</b>	
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	
	<b>Other Information:</b>	

A.	City Manager has approval authority for:
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:	<b>Request/waive hearings of necessity delegated to less senior positions.</b>
4. Permanent Highway Closures:	<b>Delegated to less senior positions.</b>
5. Transfer of Operational Management to Divisions, Agencies and Corporations:	<b>Delegated to less senior positions.</b>
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:	<b>Delegated to less senior positions.</b>
9. Leases/Licences (City as Landlord/Licensor):	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$10 Million. <b>Leases/licences for periods up to 12 months at less than market value delegated to less senior positions.</b> <b>Leases pursuant to the Community Space Tenancy Policy delegated to a less senior position.</b>
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. <b>Nominal sum easements to pre-existing utilities when closing roads delegated to less senior positions.</b>
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:	<b>Delegated to less senior positions.</b>

**B. City Manager has signing authority on behalf of the City for:**

- Documents required to implement matters for which this position also has delegated approval authority.

**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:	Joe Cressy	Councillor:	
Contact Name:		Contact Name:	
Contacted by:	Phone	E-Mail	Memo
Comments:		Other	

**Consultation with Divisions and/or Agencies**

Division:	Shelter, Support & Housing Administration	Division:	<b>Financial Planning</b>
Contact Name:	Loretta Ramadhin	Contact Name:	Patricia Libardo
Comments:	No objections – April 27, 2021	Comments:	No objections – April 23, 2021

**Legal Services Division Contact**

Contact Name:	Shirley Chow – April 28, 2021
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DAF Tracking No.: 2021-127	Date	Signature
Recommended by: Manager, Real Estate Services: Daran Somas	Apr. 29, 2021	Signed by Daran Somas
Recommended by: Director, Real Estate Services: Alison Folosea	Apr. 29, 2021	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management Patrick Matozzo	Apr. 30, 2021	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services Josie Scioli	Apr. 29, 2021	Signed by Josie Scioli
<input checked="" type="checkbox"/> Approved by: City Manager Chris Murray	May 3, 2021	Signed by Chris Murray

**Appendix "A"**  
**Major Terms and Conditions**

Landlord: 1310866 Ontario Limited

Premises: 194 room units in the Hotel (including the meeting room on the main floor) at 60 York Street, Toronto

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

Rent: The rent remains the same, at \$100.00/room/night, being \$19,400.00 (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.

Option to Extend: None.

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

All other existing terms and conditions of the Offer, as amended by the Original Extension Agreement, are to remain the same.

### Appendix "B" Location Map

