

DELEGATED APPROVAL FORM

DIRECTOR, REAL ESTATE SERVICES

MANAGER, REAL ESTATE SERVICES

TRACKING NO.: 2021-319

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

Prepared By:	Rutvik Pandya	Division:	Corporate Real Estate Management
Date Prepared:	November 24, 2021	Phone No.:	416-338-5812
Purpose	To obtain authority to enter into a lease agreement with 2760820 Ontario Inc. o/a Supply Chain Training Facility of Canada (the " Tenant ") with respect to the property municipally known as 705 Progress Avenue, Unit 101, Toronto, for the purpose of the business of supply chain management learning and accreditation (the " Lease Agreement ").		
Property	The property municipally known as 705 Progress Avenue, Unit 101, Toronto, as shown on the Location Map in Appendix " B " (the " Premises ").		
Actions	1. Authority be granted to enter into the Lease Agreement with the Tenant, substantially on the major terms and conditions set out in Appendix " A ", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.		
Financial Impact	<p>705 Progress Avenue is a jointly owned facility between the City of Toronto and Toronto District School Board (collectively, the "Landlord"). Net revenues collected are divided equally between the parties. According to the original decision in 1996, when the City of Scarborough acquired the property, the City's portion would be transferred to a dedicated parkland reserve fund (5% and 2% Land Acquisition Reserve Fund Scarborough – XR2007).</p> <p>The City's portion of total revenues is estimated to be \$56,394 (plus HST), based on the total minimum rent from the lease agreement of \$112,788 (plus HST), for the period of sixty (60) months commencing December 1, 2021 and ending November 30, 2026. The tenant is also responsible for paying additional rent which is revised each year based on the operating budget for the property. Additional rent comprises the tenant's pro rata share of the operating. The Tenant is also responsible for all other occupancy costs including water, gas, hydro, heating and air conditioning. Compensation is included in the 2021 Council Approved Operating Budget for CREM under cost center FA1378. Future year compensation will be referred to the City's annual budget process and will be included as part of the 2022 and future year budget submissions for Council consideration.</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>705 Progress Avenue is an industrial mall type of property consisting of approximately 156,000 square feet acquired in August, 1996 by the former City of Scarborough in partnership with the former Scarborough Board of Education (the "Board"). Pending development of the property as a future park and a school facility, it was decided to continue to lease the units to multiple tenants. Former City of Scarborough and the Board entered into an Operating Agreement dated January 2, 1997, which provided that the City, in consultation with the Board, would engage a property manager (currently Compass Commercial Realty LP) and enter into a management agreement. The City and the property manager would be responsible for the day-to-day operation of the property. There are no plans at the present time to carry out the intended uses by the City and the Board for the property.</p> <p>The proposed rent and other major terms and conditions of the Lease Agreement are considered to be fair, reasonable and reflective of market rates.</p>		
Terms	See Appendix " A ".		
Property Details	Ward:	24-Scarborough Guildwood	
	Assessment Roll No.:	Part of 1901-05-2-810-04300	
	Approximate Size:		
	Approximate Area:	2,169 sq. ft.	
	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/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 \$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/REOs.</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:	Paul Ainslie	Councillor:	
Contact Name:		Contact Name:	
Contacted by:	Phone <input checked="" type="checkbox"/> 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:	Concurred Nov 3,2021	Comments:	

Consultation with Divisions and/or Agencies

Division:		Division:	Financial Planning
Contact Name:		Contact Name:	Ciro Tarantino
Comments:		Comments:	Concurred Nov 3,2021

Legal Services Division Contact

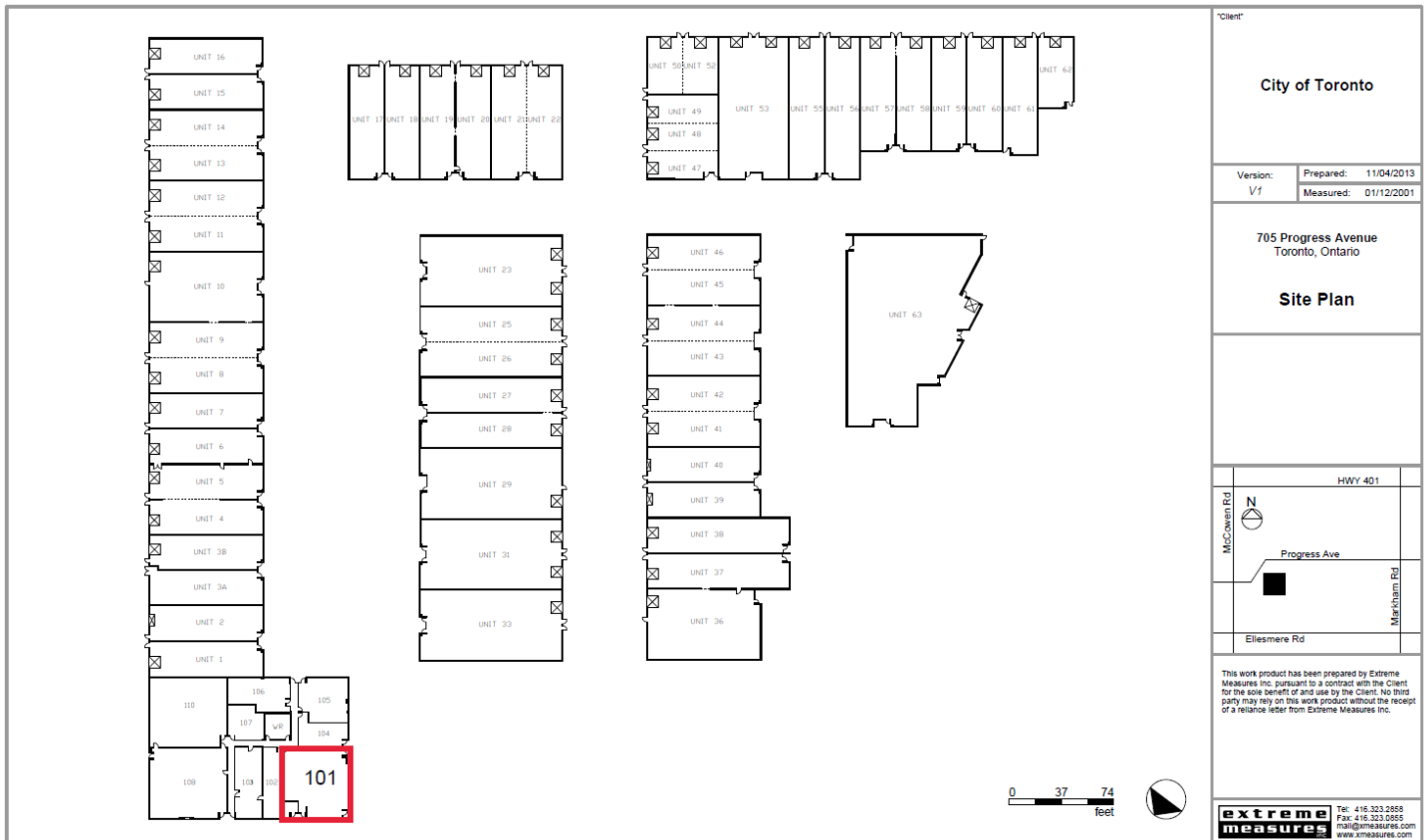
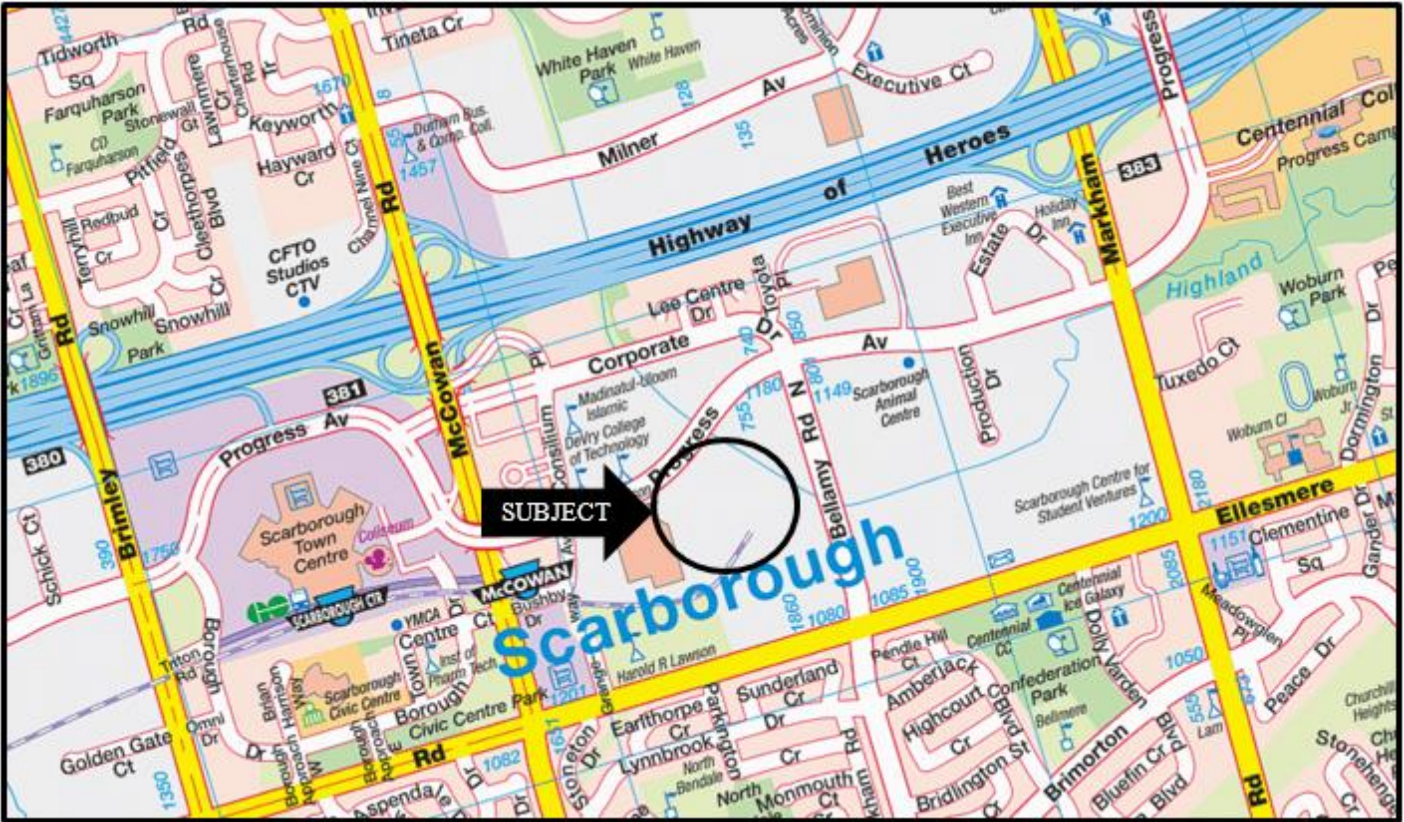
Contact Name: Amna Shakil – Comments incorporated – Nov 9, 2021

DAF Tracking No.: 2021- 319	Date	Signature
		X
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Daran Somas	Dec. 20, 2021	Signed by Daran Somas
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Graham Leah	Dec. 21, 2021	Signed by Graham Leah

Appendix "A"
Major Terms and Conditions

Minimum Rent:	Month 1 \$0.00 (\$0.00/ft ²) Month 2-12 \$17,894.25 net of HST (\$9.00/ft ²) Month 13-24 \$21,147.75 net of HST (\$9.75/ft ²) Month 25-36 \$22,774.50 net of HST (\$10.50/ft ²) Month 37-48 \$24,943.50 net of HST (\$11.50/ft ²) Month 49-60 \$26,028.00 net of HST (\$12.00/ft ²)
Additional Rent:	\$6.07/ ft ² for year 2021.
Area of Premises:	Approximately 2,169 ft ² .
Term:	Five (5) years (December 1, 2021 – November 30, 2026).
Use:	The Premises shall be used for the purpose of providing supply chain management education and training courses.
Landlord's Work:	N/A.
Prepaid Rent	First Month Rent = \$3,078.01 Last Month Rent = \$3,690.75 Total = \$6,768.76
Security Deposit:	\$3,690.75
Option to Extend:	Landlord agrees to extend the term for a further 5 year term subject to Landlords conditions.
Tenant's Early Termination:	N/A
Landlord's Early Termination:	Upon six (6) months' prior written notice.
NSF Fee:	\$40.00 per NSF cheque.
Late Payment Charges:	1.25% per month or 15% per annum.
Payment:	Tenant to provide post-dated monthly cheques or arrange for pre-authorized bank payment on or before the commencement of the lease term.
Parking:	N/A
Water Heater:	N/A
Tenant Acknowledgement:	The Tenant acknowledges that portions of the Lands and Building are being used to provide shelter services. The Tenant releases the Landlord from all liability, costs, damages, claims or demands claimed to be caused by such shelter services, including interference with business operation and quiet enjoyment.

Appendix B
Property Location



Internal 2,169

705 Progress Avenue, **Unit #101**

