

DELEGATED APPROVAL FORM

CITY MANAGER

TRACKING NO.: 2021-239

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

Prepared By:	Myron Menezes	Division:	Corporate Real Estate Management
Date Prepared:	December 1, 2021	Phone No.:	416-338-3586

Purpose
To obtain authority for the City, as tenant, to enter into a lease extension agreement with 690981 Ontario Limited (the "Landlord"), for the continued use of the premises within the building municipally known as 2340 Dundas Street West to provide a variety of clinical services to the community and an operational center for Toronto Public Health for an additional five (5) year term (the "Agreement").

Property
2340 Dundas Street West, Units G-09, G-10 and G-42, Toronto, Ontario, as more specifically shown on Appendix B attached hereto.

Actions
1. Authority be granted to enter into the Agreement with the Landlord, substantially on the terms and conditions herein, and on such other terms and conditions as deemed appropriate by the approving authority herein, and in a form acceptable to the City Solicitor.

Financial Impact
The total estimated cost to the City for the five (5) year lease extension, commencing December 14, 2021 and expiring December 13, 2026 is approximately \$5,069,250.00 (plus HST) or \$5,158,468.80 (net of HST recoveries).

Funding is available in the 2021 Council Approved Operating Budgets for Toronto Public Health (TPH) under cost center PH1076. Future year expenditures will be referred to the City's annual budget process and will be included as part of the future year budget submissions for Council consideration. Details of the financials are shown in Appendix A.

Fiscal Year	Term / Period	Total expenditures (plus HST)	Total Expenditures (net of HST)
2021	Dec 14, 2021 - Dec 31, 2021	40,831.25	41,549.88
2022	Jan 2022 - Dec 2022	980,656.25	997,915.80
2023	Jan 2023 - Dec 2023	997,606.25	1,015,164.12
2024	Jan 2024 - Dec 2024	1,014,556.25	1,032,412.44
2025	Jan 2025 - Dec 2025	1,031,506.25	1,049,660.76
2026	Jan 2026 - Dec 13, 2026	1,004,093.75	1,021,765.80
Total	Dec 14, 2021 - Dec 13, 2026	\$ 5,069,250.00	\$ 5,158,468.80

The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial implications as identified in the Financial Impact section.

Comments
The City has occupied the facility known as "The Crossways" located at Bloor Street West and Dundas Street West, for the purposes of establishing a Public Health Office in the City's west end. The original five year lease term began on July 1, 1987 and was subsequently renewed and amended on several occasions thereafter.

In 2001, as documented by DAF No. 2001-082, the existing lease was surrendered in favour of a new 10 year lease for a newly renovated and expanded leased premises with a rentable area of approximately 33,900 sq.ft. The leased premises were declared a municipal capital facility pursuant to Item GM19.3, as adopted by City Council at its meeting of December 1, 2008.

City Council on November 29, 2011 adopted Item GM9.7 to approve an extension of the lease for a period of 5 years beginning December 14, 2011 and expiring December 13, 2016, together with an option to renew the lease for a further term of five years at predetermined rental rates. The term was further extended for another five (5) years pursuant to a second lease extension agreement dated September 9, 2016, as documented by DAF No. 2016-112 for a further term expiring on December 13, 2021.

Toronto Public Health confirms that the leased premises are required and supports the City entering into the Agreement. Real Estate Services staff consider the terms and conditions of Agreement, to be fair and reasonable and at market.

Terms
Refer to Appendix "A" for the major terms and conditions.

Property Details	Ward:	4 - Parkdale-High Park
	Assessment Roll No.:	190401306000100
	Approximate Size:	
	Approximate Area:	Total: 3,149.41 m ² ± (33,900 ft ² ±)
	Other Information:	Part of PIN 213280501

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:	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:
<ul style="list-style-type: none"> Documents required to implement matters for which this position also has delegated approval authority.

Pre-Condition to Approval	
<input checked="" type="checkbox"/>	Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property
Consultation with Councillor(s)	
Councillor:	Gord Perks
Contact Name:	Karen Duffy
Contacted by:	Phone <input type="checkbox"/> X E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	No Objections - November 30, 2021
Consultation with Divisions and/or Agencies	
Division:	Toronto Public Health
Contact Name:	Maureen Drayton & Teresa Defina
Comments:	Comments Incorporated - November 29, 2021
Division:	Financial Planning
Contact Name:	Ciro Tarantino
Comments:	Comments Incorporated – November 29, 2021
Legal Services Division Contact	
Contact Name:	Gloria Lee

DAF Tracking No.: 2021- 239	Date	Signature
Recommended by: Manager, Real Estate Services	Dec. 8, 2021	Signed by Ronald Ro
Recommended by: Director, Real Estate Services	Dec. 9, 2021	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management Patrick Matozzo	Dec. 13, 2021	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services Josie Scioli	Dec. 13, 2021	Signed by Josie Scioli
<input checked="" type="checkbox"/> Approved by: City Manager Chris Murray	Dec. 20, 2021	Signed by Chris Murray

Appendix A

Major Terms & Conditions

Location:

2340 Dundas Street West, Units G-09, G-10 and G-42, Toronto

Leased Premises:

33,900 square feet on the ground floor and 1,040 square feet on the basement level

Landlord:

690981 Ontario Limited

Tenant:

City of Toronto

Lease Extension Term:

Five (5) Years, commencing on December 14, 2021 and expiring on December 13, 2026.

Permitted Use:

For the purposes of a public health site office, including dental clinic and related municipal services and for no other business or purpose.

Gross Rent for extended term:

Year 1 – \$26.50 per square foot or \$905,150.00 plus HST per annum or \$75,429.17 plus HST monthly

Year 2 – \$27.00 per square foot or \$922,100.00 plus HST per annum or \$76,841.67 plus HST monthly

Year 3 – \$27.50 per square foot or \$939,050.00 plus HST per annum or \$78,254.17 plus HST monthly

Year 4 – \$28.00 per square foot or \$956,000.00 plus HST per annum or \$79,666.67 plus HST monthly

Year 5 – \$28.50 per square foot or \$972,950.00 plus HST per annum or \$81,079.17 plus HST monthly

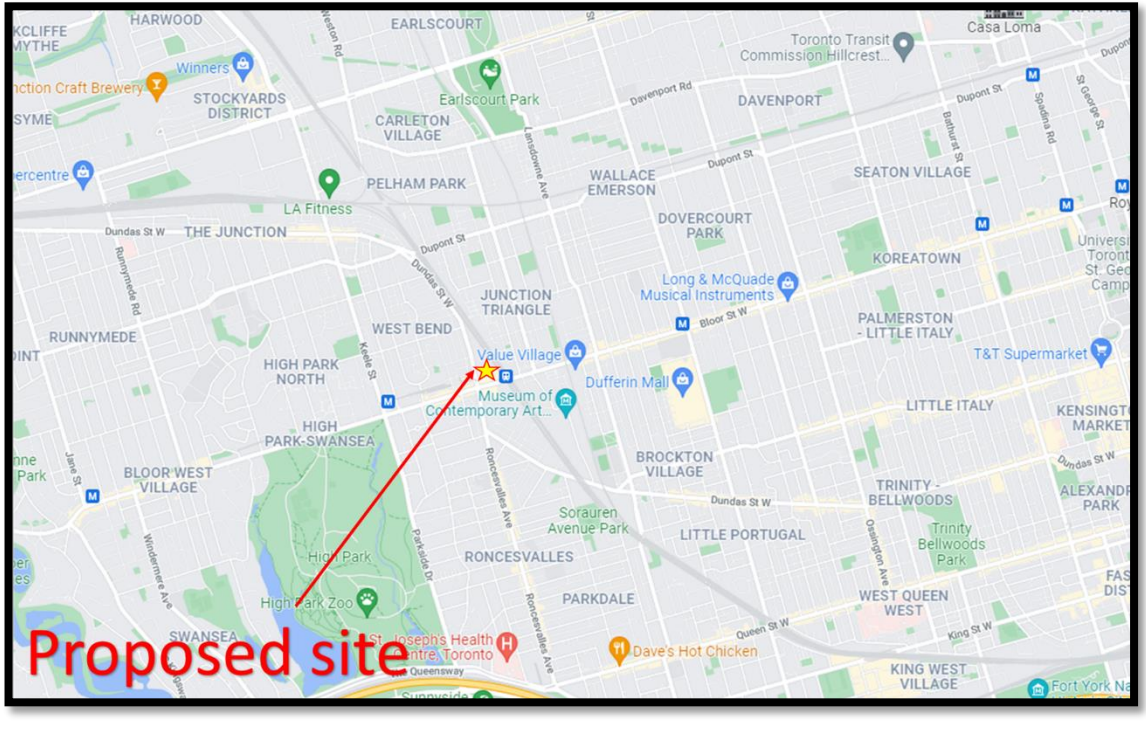
For a total of \$4,695,250.00 plus HST. No Minimum Rent is payable for the premises on the basement level.

Parking Costs:

The Landlord shall provide one hundred (100) parking spots – twenty (20) reserved spaces will be free-of-charge and eighty (80) reserved spaces will be charged at a rate of \$85.00 per stall per month plus HST for a total annual cost of \$81,600.00 or \$408,000.00. The City shall have the option to reduce the number of paid parking spaces upon providing the Landlord with six (6) months' prior written notice.

Appendix B

Location Map:



Lot and aerial map:

