

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

TRACKING NO.: 2022-037

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:	January 25, 2022	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 1483197 Ontario Ltd. (the "Landlord"), for the continued use of the building located at 556 Sherbourne Street, Toronto, for the purpose of a temporary shelter.		
.Property	Entirety of the property, including 39 units located at the property municipally known as 556 Sherbourne Street, City of Toronto (the "Property") as shown on the Location Map in Appendix "B".		
Actions	1. Authority be granted to enter into the Lease Extension Agreement with the Landlord for an extension term of one (1) year, commencing on February 1, 2022 and expiring on January 31, 2023, 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 Executive Director, Corporate Real Estate Management ("ED") and in a form acceptable to the City Solicitor.		
Financial Impact	<p>(i) Gross Rent: Total cost to the City will be \$1,352,325.00 (plus HST) per annum (based on a daily rate of \$95 per room x 39 rooms) or \$1,376,125.92 (net of HST recoveries) per annum. Gross rent will be payable monthly in advance in the amount of \$112,693.75 (plus HST) per month or \$114,677.16 (net of HST recoveries), from the commencement date to January 31, 2023, for a term of one (1) year.</p> <p>The City shall not be responsible for any additional costs arising from its use of the Property including any operating costs, repairs and maintenance, utilities and taxes.</p> <p>Corporate Real Estate Management and Shelter, Support and Housing Administration ("SSHA") commit to reporting back to City Council with shelter restoration cost details in the first quarter of 2022.</p> <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 2022 planned Operating Budget for Shelter, Support & Housing Administration under cost centre HS100X.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial implications as detailed in the Financial Impact section.</p>		
Comments	<p>The City continues to follow the guidance of the City's Medical Officer of Health and Provincial guidelines related to COVID-19 for congregate living settings. On January 17, 2022 the Board of Health requested City leaders to urgently explore and implement plans to address shelter safety, including immediately expanding the capacity of recovery and non-congregate shelter beds. Given this direction and the recent Omicron variant, the City is undertaking steps to negotiate lease extensions where necessary. By a Lease dated January 22, 2021 and accepted January 29, 2021 (the "Lease"), the City leased the Property from the Landlord for a term commencing on February 1, 2021 and expiring on January 31, 2022. The Lease provided for the option to extend for one (1) year, with the gross rent to be based on the fair market gross rent rate for comparable premises in the areas. The parties have agreed on a proposed rental rate for the extension term.</p> <p>The Property consists of a 39 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:	13 – Toronto Centre
	Assessment Roll No.:	190406849002600
	Approximate Size:	45.4 m x 13.4 m ± (149 ft x 44 ft ±)
	Approximate Area:	610 m ² ± (6,573 ft ² ±)
	Other Information:	

Revised: October 5, 2020

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
2A. Expropriations Where City is Expropriating Authority:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 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 \$3 Million. Request/waive hearings of necessity delegated to less senior positions.	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million. Request/waive hearings of necessity delegated to less senior positions.
3. Issuance of RFPs/REOIs:	<input type="checkbox"/> Issuance of RFPs/REOIs.	<input type="checkbox"/> Issuance of RFPs/REOIs.
4. Permanent Highway Closures:	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.
5. Transfer of Operational Management to Divisions, Agencies and Corporations:	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.
9. Leases/Licences (City as Landlord/Licensor):	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 Million. <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. Delegated to a more senior position.	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million. <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. <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.
10. Leases/Licences (City as Tenant/Licensee):	<input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> (a) Where total compensation does not exceed \$3 Million. <input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.	<input type="checkbox"/> (a) Where total compensation does not exceed \$5 Million. <input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 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)).	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).
14. Miscellaneous:	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences <input type="checkbox"/> (b) Releases/Discharges <input type="checkbox"/> (c) Surrenders/Abandonments <input type="checkbox"/> (d) Enforcements/Terminations <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates <input type="checkbox"/> (f) Objections/Waivers/Cautions	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences <input type="checkbox"/> (b) Releases/Discharges <input type="checkbox"/> (c) Surrenders/Abandonments <input type="checkbox"/> (d) Enforcements/Terminations <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates <input type="checkbox"/> (f) Objections/Waivers/Cautions

<input type="checkbox"/> (g) Notices of Lease and Sublease	<input type="checkbox"/> (g) Notices of Lease and Sublease
<input type="checkbox"/> (h) Consent to regulatory applications by City, as owner	<input type="checkbox"/> (h) Consent to regulatory applications by City, as owner
<input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title	<input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title
<input type="checkbox"/> (j) Documentation relating to Land Titles applications	<input type="checkbox"/> (j) Documentation relating to Land Titles applications
<input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds	<input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds

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	
<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:	Councillor: Wong-Tam
Contact Name:	Contact Name: Robin Buxton
Contacted by:	Contacted by: Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	Comments: No concerns (Jan 31, 2022)
Consultation with Divisions and/or Agencies	
Division:	Division: Shelters, Support and Housing Administration
Contact Name:	Contact Name: Loretta Ramadhin, Project Director
Comments:	Comments: Comments incorporated (Jan 26, 2022)
Division:	Division: Financial Planning
Contact Name:	Contact Name: Ciro Tarantino
Comments:	Comments: Comments incorporated (Feb 2, 2022)
Legal Services Division Contact	
Contact Name:	Contact Name: Shirley Chow (Jan 24, 2022)

DAF Tracking No.: 2022-037	Date	Signature
Recommended by: Manager, Real Estate Services	Feb. 1, 2022	Signed by Ronald Ro
Recommended by: Director, Real Estate Services	Feb. 10, 2022	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	Feb. 17, 2022	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Patrick Matozzo		
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli		X

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

Landlord: 1483197 Ontario Ltd.

Premises: 556 Sherbourne St, Toronto, including all 39 hotel rooms, and use of the hotel lounge, front desk/lobby area, and five (5) parking spots.

Extension Term: 1 year (February 1, 2022 to January 31, 2023)

Gross Rent: \$1,352,325 per year (\$95/room/night), plus HST.

Gross Rent includes the Tenant's proportional payment of property taxes. The Tenant is not responsible for any other costs including operating costs, repairs/maintenance, utilities and realty taxes.

All other terms and conditions of the Lease shall remain the same.

Appendix "B" Location Map

