

**DELEGATED APPROVAL FORM
DIRECTOR, REAL ESTATE SERVICES
MANAGER, REAL ESTATE SERVICES**

TRACKING NO.: 2022-086

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:	March 22, 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 the Minister of Government and Consumer Services (the "Landlord"), for the continued use of the building located at 354 George Street, Toronto, for the purpose of a temporary shelter.
Property	Entirety of the property, comprising a rentable area of 23,810 square feet located at the property municipally known as 354 George 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 May 1, 2022 and expiring on April 30, 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 Director, Real Estate Services ("Director") and in a form acceptable to the City Solicitor.
Financial Impact	<p>(i) Base Rent: \$212,575.00 (plus HST) per annum (based on a rate of \$11 per square foot of the rentable area of the building per annum) or \$216,316.32 (net of HST recoveries). Base rent will be payable monthly in the amount of \$17,714.58 (plus HST) or \$18,026.36 (net of HST recoveries).</p> <p>(ii) Additional Rent: estimated at \$166,968.00 (plus HST) per annum (based on a rate of \$8.64 per square foot of the rentable area of the building per annum) or \$169,906.64 (net of HST recoveries). Additional rent will be payable monthly in the amount of \$13,914.00 (plus HST) or \$14,158.89 (net of HST recoveries).</p> <p>(iii) Rent for the Parking Areas: \$29,640 (plus HST) per annum (based on a rate of \$130.00 per parking stall per month) or \$30,161.67 (net of HST recoveries). Rent for the parking areas will be payable in one lump sum at the commencement of the extension term.</p> <p>The total cost to the City will be approximately \$409,183 (plus HST).</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 included in the 2022 Approved Operating Budget for Shelter, Support & Housing Administration under cost centre HS100X. Funding to support 2023 impacts will be included in SSHA's 2023 Operating Budget submission and subject to consideration with other City priorities through the budget process.</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 May 1, 2019 (the "Lease"), the City leased the Property from the Landlord for a term commencing on May 1, 2019 and expiring on April 30, 2022. The Lease provided for the option to extend for one year.</p> <p>The Property consists of a rentable area of 23,810 square feet comprising 19,325 square feet of the building and 4,485 square feet for the 19 stalls of the parking lot. The Property will continue to be used to provide temporary accommodation for shelter clients and other shelter needs and will continue to be operated by a service provider as deemed appropriate by SSHA.</p>
Terms	Major terms and conditions are 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.

Property Details	Ward:	13 – Toronto Centre
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	
	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/REOIs:</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/Licensors):</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/REOIs.</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 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 checked="" 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 (Managers whose position includes responsibility for implementing Council-approved expropriations are the only Managers 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:	Kristyn Wong-Tam	Councillor:	
Contact Name:	Robin Buxton Potts	Contact Name:	
Contacted by:	Phone <input type="checkbox"/> X <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:	No concerns (Mar 31, 2022)	Comments:	

Consultation with Divisions and/or Agencies

Division:	Shelter, Support and Housing Administration	Division:	Financial Planning
Contact Name:	Loretta Ramadhin	Contact Name:	Ciro Tarantino
Comments:	No concerns (Mar 30, 2022)	Comments:	Comments incorporated (Apr 4, 2022)

Legal Services Division Contact

Contact Name: Jacqueline Kiggundu (Mar 29, 2022)

DAF Tracking No.: 2022-086	Date	Signature
<input type="checkbox"/> Recommended by: Manager, Real Estate Services Ronald Ro	April 4, 2022	Signed by Ronald Ro
<input type="checkbox"/> Approved by:		
<input type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	April 7, 2022	Signed by Alison Folosea

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

Landlord:	The Minister of Government and Consumer Services
Premises:	354 George St, Toronto, including 19,325 square feet for the rentable area of the building and 4,485 square feet for the 19 parking spaces for the rentable area of the parking lot
Extension Term:	1 year (May 1, 2022 to April 30, 2023)
Base Rent:	\$212,575 per year (\$11/sq ft of rentable area of building), plus HST.
Additional Rent:	\$166,968 per year (\$8.64/sq ft of rentable area of building), plus HST
Parking Area Rent:	\$29,640 per year (\$130 per parking stall per month)

Appendix "B"

Location Map

