

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

TRACKING NO.: 2022-117

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:	June 3, 2022	Phone No.:	416-338-3586
Purpose	To authorize the City's consent, as landlord, to assignments of two leases ("Lease 1" and "Lease 2" and, collectively, the "Leases") of portions of the Queen Elizabeth Complex at Exhibition Place (the "Building"), both dated May 1, 2020, from the current tenant, 16730801 Ontario Inc. (the "Assignor") to QET Operations Ltd. (the "Assignee").		
Property	Lease 1: A portion of the Building known as the Queen Elizabeth Theatre; and Lease 2: A portion of the Building known as the Fountain Dining Room; (collectively, the "Property") located at the Building municipally known as 190 Princes' Boulevard, City of Toronto and as shown on Appendix "B".		
Actions	1. <i>Authority be granted to consent as Landlord, to the assignment of the Leases from the Assignor to the Assignee, and to enter into an Assignment of Lease and Landlord's Consent Agreement with respect to each of Lease 1 and Lease 2, between the City, the Assignor, the Assignee and The Board of Governors of Exhibition Place (the "Board"), substantially on the major terms and conditions set out herein, and including such other or amended terms and conditions as may be deemed appropriate by the Director, Transactions Services and in a form acceptable to the City Solicitor.</i>		
Financial Impact	<p><i>There is no financial impact resulting from this approval. An administrative fee of \$267.76 (plus HST) will be paid by the Assignee to the City for each assignment, as required by Chapter 441, Appendix C-Schedule 15 of the Toronto Municipal Code.</i></p> <p><i>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial implications as identified in the Financial Impact section.</i></p>		
Comments	<p>The City, as landlord, and the Board entered into the Leases with the Assignor, as tenant, each for a term of 10 years with an option to extend for 10 years. By letter dated October 4, 2021, the Assignor provided a written request for consent to an assignment of the Leases to the Assignee, a single purpose subsidiary of the MRG Group ("MRG"), pursuant to an asset purchase agreement between the Tenant and MRG. Article 16.2 of the Leases provides that the tenant shall not assign the Leases without first obtaining the written consent of the landlord, which consent may be unreasonably withheld.</p> <p>At its meeting on February 9, 2022, by adoption of Items EP22.10 and EP22.11, the Board authorized the Chief Executive Officer to request the necessary City authorities to arrange for the City's consent, as landlord, to the assignment of the Leases.</p> <p>City staff have reviewed: 1. the Assignee's corporate profile report and details on its organizational structure to demonstrate the Assignee's ability to take on the obligations under the Leases; 2. details on MRG ownership structure to assess ownership and partners' percentage ownership stake; and 3. recent audited financial statements to ensure the Assignee is financially stable. Staff are satisfied with recommending the City consent to this assignment.</p>		
Terms	Please see Appendix A.		
Property Details	Ward:	Ward 10 – Spadina-Fort York	
	Assessment Roll No.:		
	Approximate Size:		
	Approximate Area:	3722 m ² ± (40,066 ft ² ±)	
	Other Information:	Pin: 213830039	

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 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 checked="" 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:	Joe Cressy	Councillor:	
Contact Name:	Brent Gilliard	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 Objections – June 2, 2022	Comments:	

Consultation with Divisions and/or Agencies

Division:	Exhibition Place	Division:	Financial Planning
Contact Name:	Hardat Persaud, CFO	Contact Name:	Ciro Tarantino
Comments:	Comments incorporated – May 17, 2022	Comments:	Comments incorporated – May 16, 2022

Legal Services Division Contact

Contact Name: Jack Payne – May 17, 2022

DAF Tracking No.: 2022- 117	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Ronald Ro	June 3, 2022	Signed by Ronald Ro
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	June 7, 2022	Signed by Alison Folosea

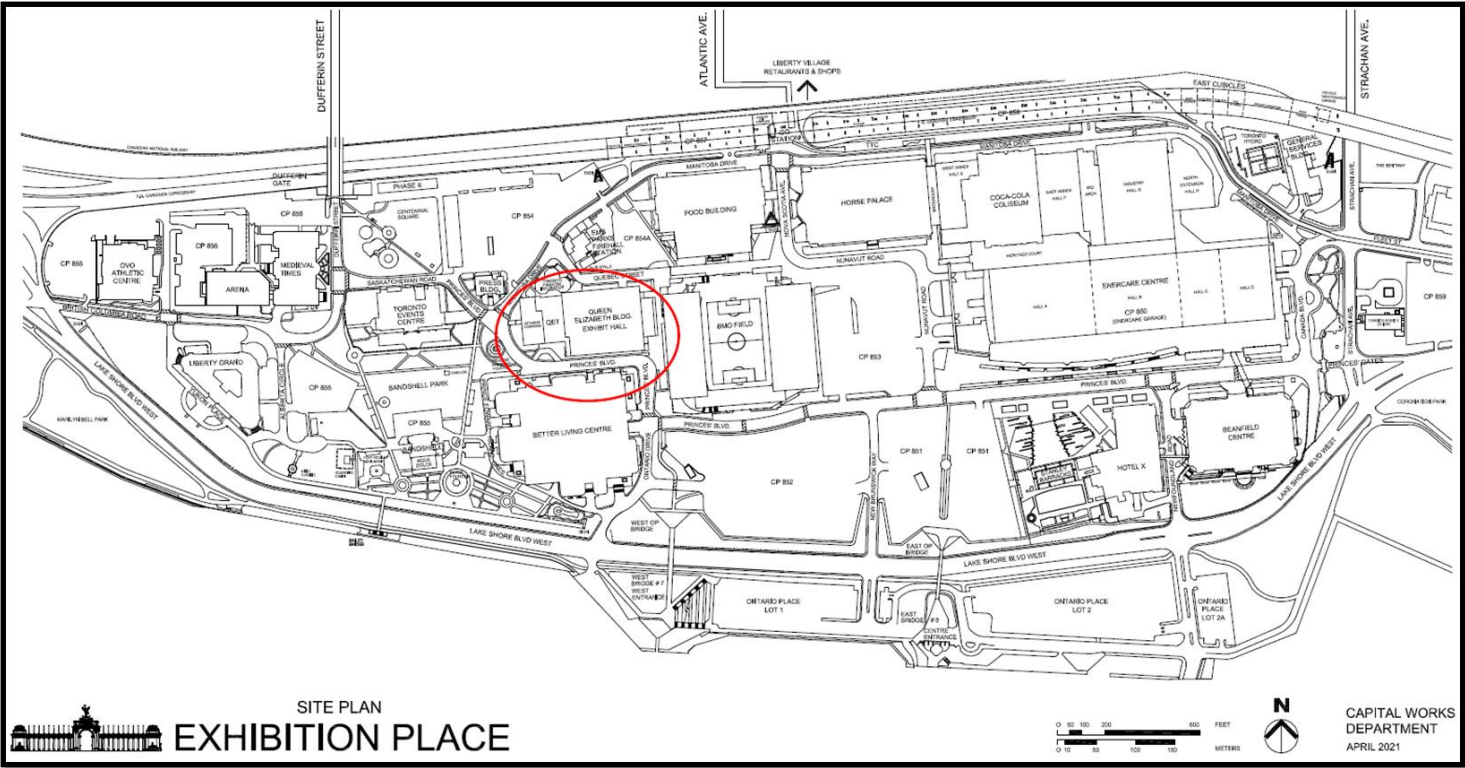
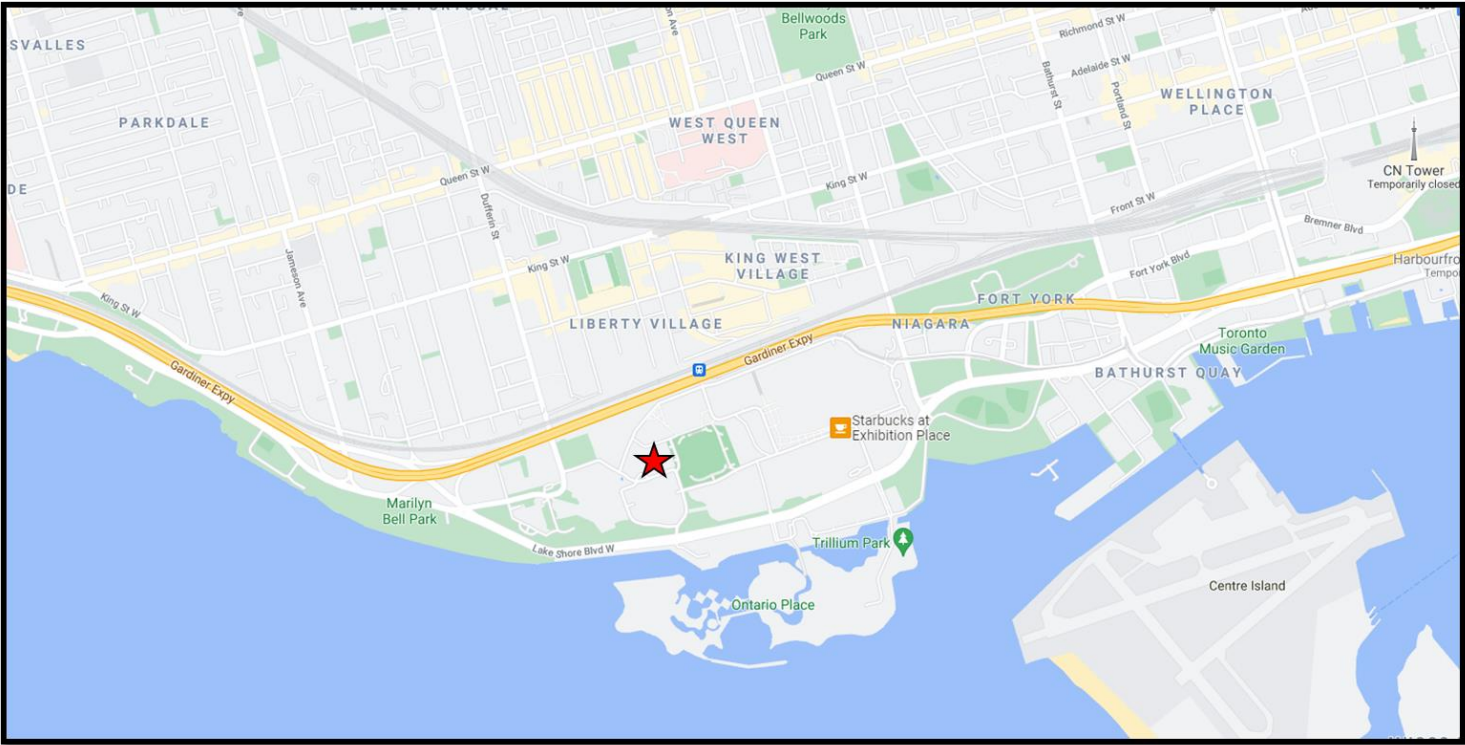
Appendix A – Location and major terms

Major terms

Landlord:	City of Toronto
Board:	The Board of Governors of Exhibition Place
Assignor / Tenant:	16730801 Ontario Inc.
Assignee:	QET Operations Ltd. (a subsidiary of MRG Group)
Property:	<p>Lease 1: A portion of the Building known as the Queen Elizabeth Theatre; and</p> <p>Lease 2: A portion of the Building known as the Fountain Dining Room,</p> <p>both as shown in Appendix B.</p>
Landlord's Consent:	<p>(a) The consent does not waive the necessity for consent to any further assignment or other transfer of the Leases.</p> <p>(b) The Landlord does not acknowledge or approve of the terms of the assignment between the Assignor and Assignee.</p> <p>(c) The consent does not release the Assignor from its obligations contained in the Leases.</p> <p>(d) The Assignee will be required to pay arrears of rent and outstanding rent not yet billed as of the date of the assignment.</p>
Assignee's Covenants:	<p>(a) The Assignee will during the balance of the term of the Lease pay all amounts payable under the Lease and observe and perform all of the Assignor's terms, covenants and conditions in the Lease as if the Assignee had been the original tenant.</p> <p>(b) The Assignee will indemnify and save harmless the Landlord from all actions, suits, costs, losses, charges, demands and expense for and in respect of any such non-payment or non-observance or non-performance of the terms, covenants and conditions contained the Lease on the part of the tenant, from and after the date of the assignment.</p>
Assignor's Covenant:	If the Lease is repudiated or is disclaimed or terminated by any trustee in bankruptcy of the Assignee upon notice from the Landlord given within thirty (30) days of such repudiation, disclaimer or termination, the Assignor shall enter into a lease with the Landlord upon the same terms and conditions as contained in the Lease which shall expire on the date the Lease would have expired save for such repudiation, disclaimer or termination.

Appendix "B"

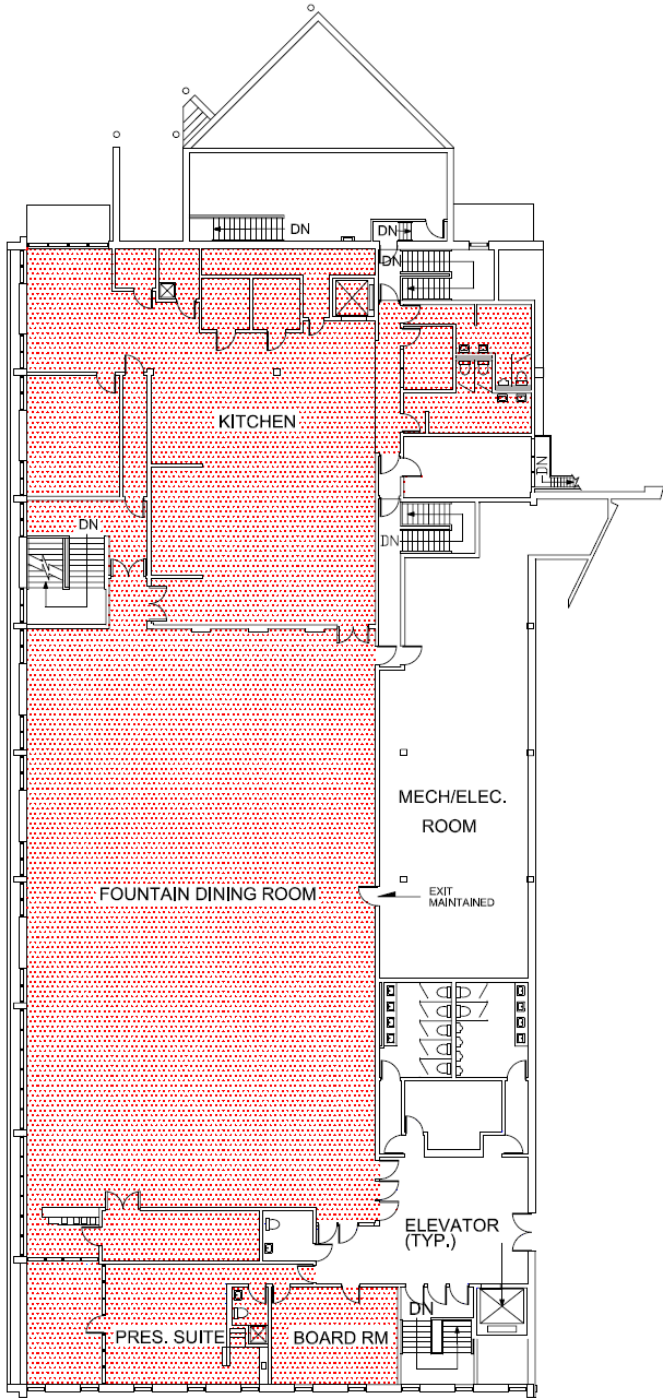
Location Maps



SITE PLAN
EXHIBITION PLACE

CAPITAL WORKS
DEPARTMENT
APRIL 2021

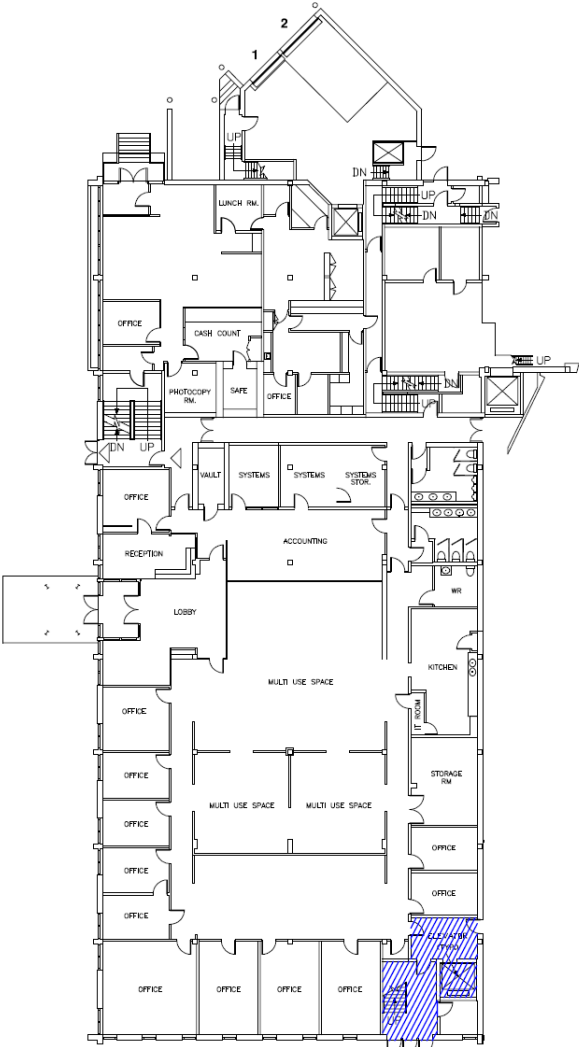
Fountain Dining Room Property



FOUNTAIN DINING ROOM
QUEEN ELIZABETH BUILDING - SECOND FLOOR

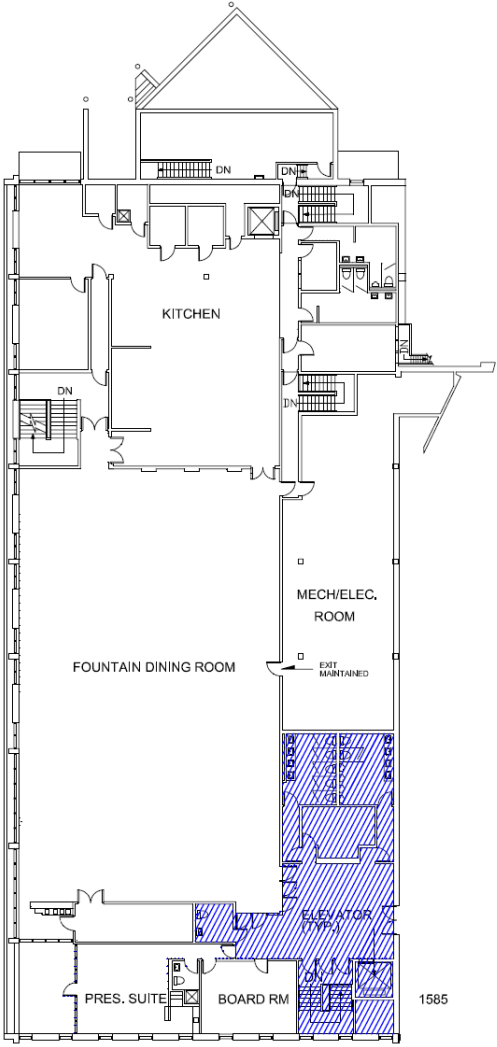
 LEASED AREA

Fountain Dining Room: Common Space and Second Floor Washrooms



QUEEN ELIZABETH BUILDING - MAIN FLOOR

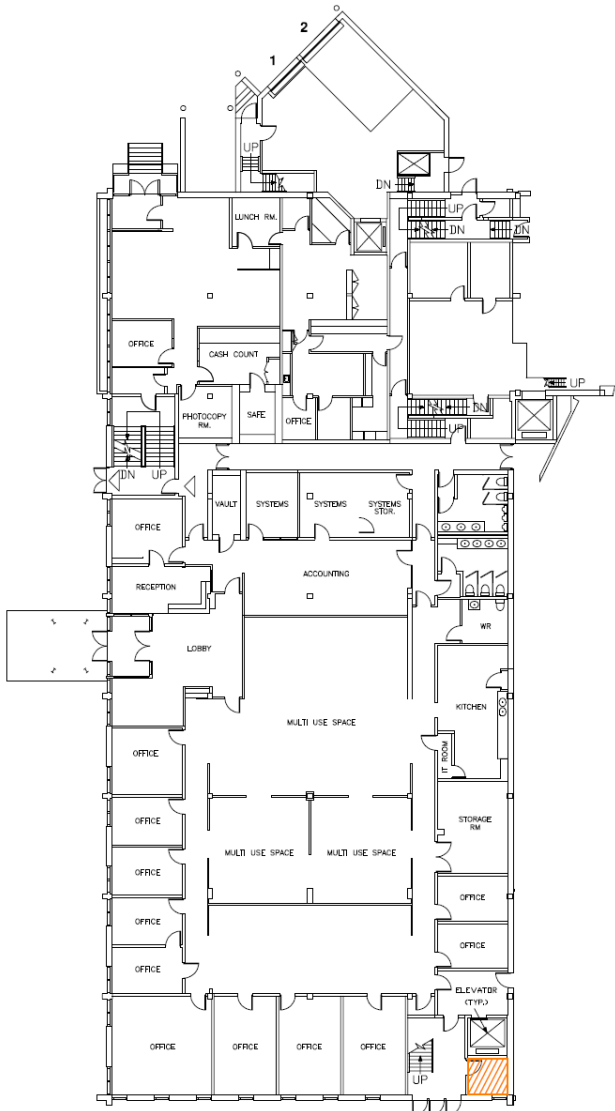
 COMMON SPACE



FOUNTAIN DINING ROOM
QUEEN ELIZABETH BUILDING - SECOND FLOOR

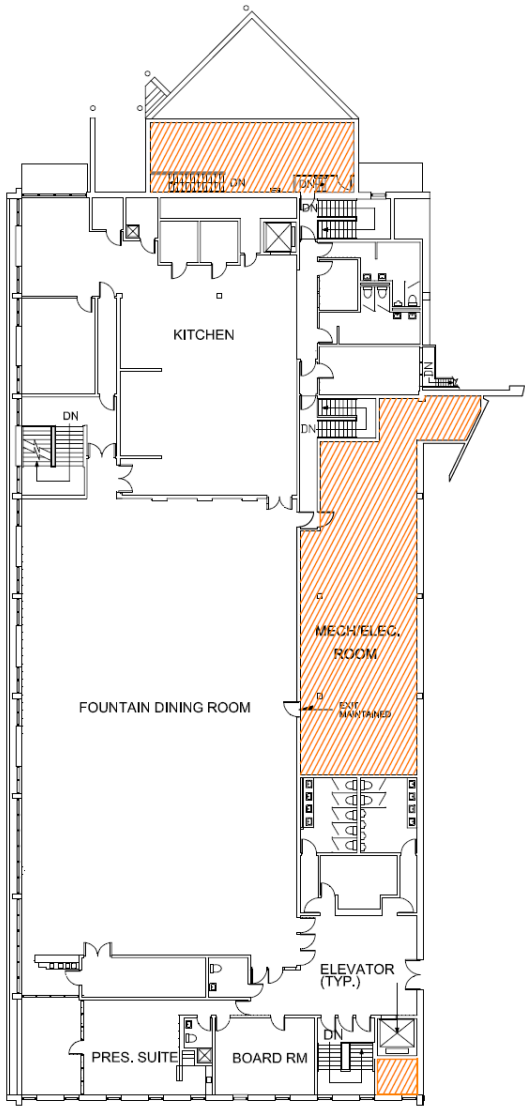
 COMMON SPACE & SECOND FLOOR WASHROOMS

Fountain Dining Room: Maintenance Areas



QUEEN ELIZABETH BUILDING - MAIN FLOOR

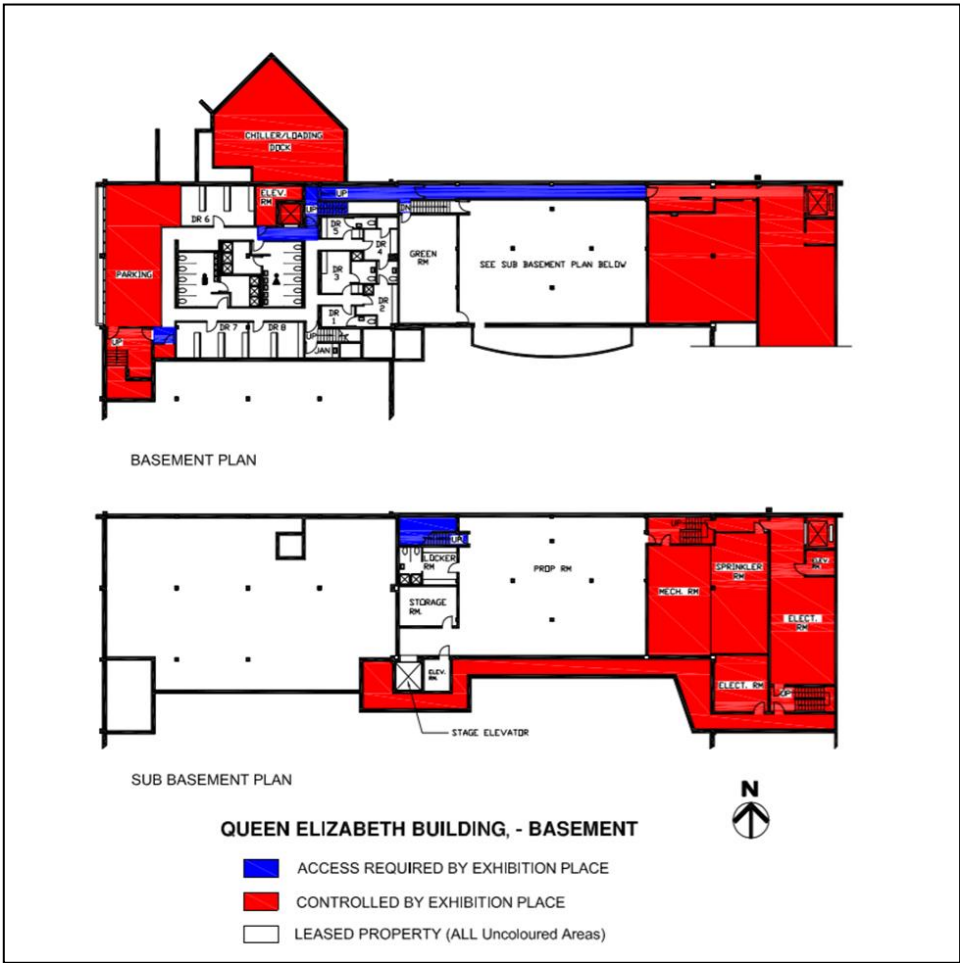
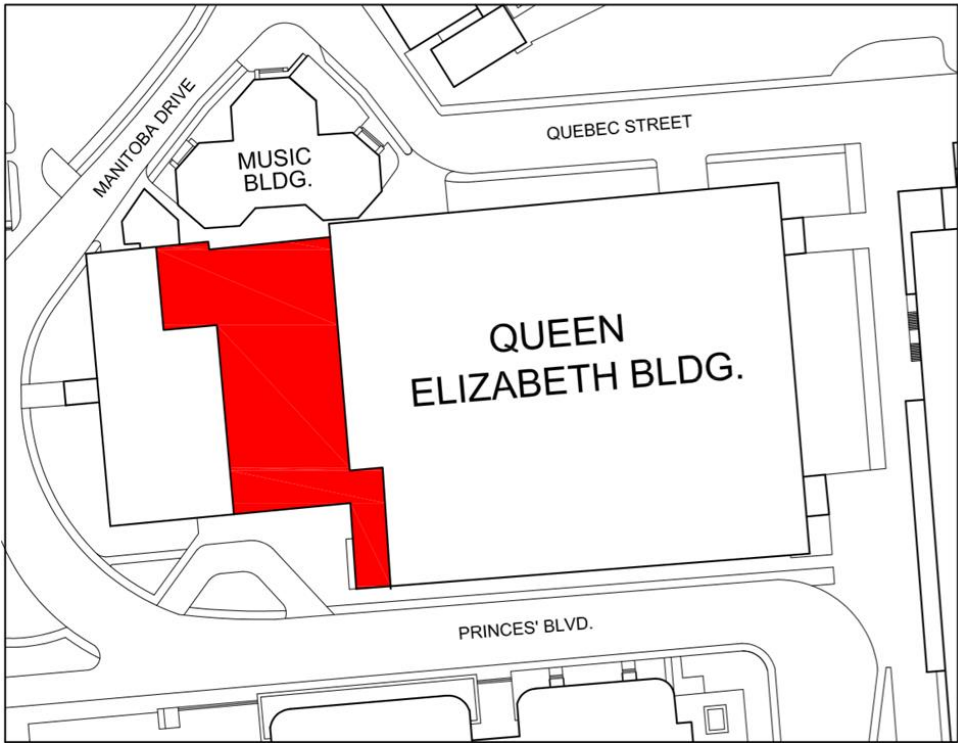
 MAINTENANCE AREAS

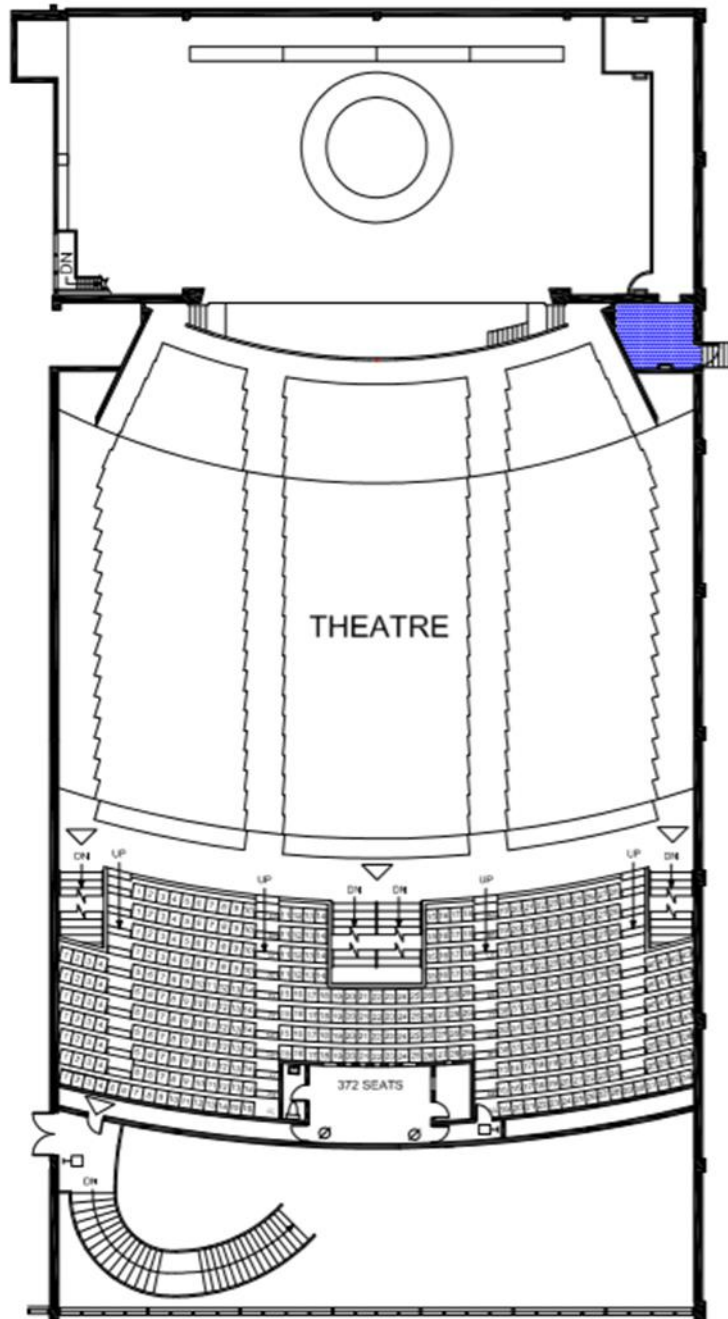


FOUNTAIN DINING ROOM
QUEEN ELIZABETH BUILDING - SECOND FLOOR



 MAINTENANCE AREAS

Queen Elizabeth Theater Property





THEATRE - MEZZANINE
QUEEN ELIZABETH BUILDING

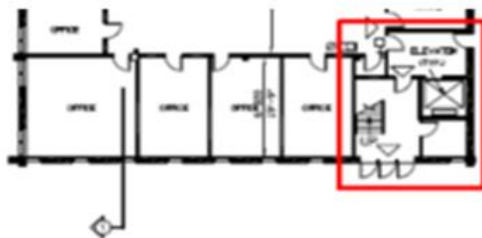
-  ACCESS REQUIRED BY EXHIBITION PLACE
-  CONTROLLED BY EXHIBITION PLACE



Shared Use Areas by Tenant



FOUNTAINBLU • DINING ROOM



WITHROW COMMON
QUEEN ELIZABETH BUILDING, FIRST FLOOR
EXHIBITION PLACE, TORONTO