

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:	June 8, 2022	Phone No.:	647-458-1934

Purpose	To obtain authority for the City of Toronto (the "City"), as tenant, to provide a payment of additional rent to 2245883 Ontario Inc. (the "Landlord"), for a portion of insurance costs for the temporary shelter at the Roehampton Hotel located at 808 Mount Pleasant Road.
Property	Entirety of the property, including 109 units located at the property municipally known as 808 Mount Pleasant Road, City of Toronto (the "Property") as shown on the Location Map in Appendix "A".
Actions	1. Authority be granted for the City as tenant to pay additional rent to the Landlord on the terms set out herein, 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>The City will pay additional rent of \$379,036.07 (plus HST) or \$385,707.10 (net of HST recoveries) for a portion of the insurance costs for the temporary shelter.</p> <p>Rent to be paid by the City for each fiscal year is as follows: 2022: \$209,364.58 (plus HST) or \$213,049.40 (net of HST recoveries) 2023: \$169,671.49 (plus HST) or \$172,657.70 (net of HST recoveries) Total: \$379,036.07 (plus HST) or \$385,707.10 (net of HST recovery)</p> <p>The City shall continue to pay to the Landlord as Additional Rent all other amounts as and when the same shall be due and payable pursuant to the provisions of the Lease, including the amounts payable for any Additional Services but excluding any amounts for Base Services which fees are included in the Basic Rent.</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 for the expenditures outlined above have been referred to the City's annual budget process and have been included in the 2022 Council Approved Operating Budget for Shelter, Support and Housing Administration under cost center HS100X.</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>DAF 2020-130 authorized the lease with the Landlord for a term of two (2) years, plus two (2) successive options to extend the term for periods of six (6) additional months each, for a total maximum base rent of \$6,564,525 (plus HST). DAF 2021-292 authorized additional rent payments of up to \$550,182.20 for the landlord's increased insurance costs, for the period from November 23, 2020 to May 31, 2022. With the further additional rent for the landlord's increased insurance costs, the total cost to the City will be a maximum of \$7,493,743.27.</p> <p>Due to the temporary shelter use, and hardening of the insurance market during the pandemic, the Landlord's insurer discontinued coverage and cancelled the policy in November 2020. The Landlord had to secure insurance at higher rates, and issued an invoice to the City dated May 13, 2021 for increased property insurance costs for the period of November 2020 to November 2021. The City's Insurance and Risk Management Group were consulted, and agreed that the insurance market had tightened significantly during the Covid-19 pandemic. The City worked to mitigate the Landlord's insurance risk, but there were requirements that could not be met. As a final option to prevent lease termination, the City reached agreement with the Landlord to pay a portion of the Landlord's increased insurance costs. The City has decided to exercise its option to extend the lease for an additional six months, and has agreed to continue to pay a portion of the Landlord's increased insurance costs during this period.</p>
Terms	<p>For the period from June 1, 2022 to November 30, 2022, the City to pay a portion of the Landlord's increased insurance costs in the amount of \$179,036.07 (plus HST). If the City exercises the 2nd option to extend the lease from December 1, 2022 to May 31, 2023, the City to pay an amount up to a maximum of \$200,000 (plus HST). As the cost for December 1, 2022 to May 31, 2023 has not yet been determined, the Landlord has agreed to work with the City to keep these costs as low as possible. If such amount exceeds \$200,000, further City authority will be required.</p> <p>Corporate Real Estate Services considers the Additional Rent payments to be fair and reasonable.</p>

Property Details	Ward:	12 – Toronto St Paul's
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	
	Other Information:	

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/REOIs:	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

Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property

Consultation with Councillor(s)

Councillor:	Councillor Matlow	Councillor:	Councillor Robinson, Councillor Colle
Contact Name:	Andrew Athanasiu	Contact Name:	Rachel Van Frassen, Paul Tye-Co
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"/> X <input checked="" type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	No concerns (Jun 14, 2022)	Comments:	Notified (June 15, 2022)

Consultation with Divisions and/or Agencies

Division:	Shelter, Support and Housing Administration	Division:	Financial Planning
Contact Name:	Loretta Ramadhin	Contact Name:	Filisha Jenkins
Comments:	No comments (Jun 9, 2022)	Comments:	Comments incorporated (Jun 9, 2022)

Legal Services Division Contact

Contact Name: **Soo Kim Lee (Jun 8, 2022)**

DAF Tracking No.: 2022-133	Date	Signature
Recommended by: Manager, Real Estate Services	June 22, 2022	Signed by Susan Lin
Recommended by: Director, Real Estate Services	July 15, 2022	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management Patrick Matozzo	July 19, 2022	Signed by Patrick Matozzo
<input type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services Josie Scioli	July 19, 2022	Signed by Josie Scioli
<input type="checkbox"/> Approved by: City Manager Chris Murray	July 25, 2022	Signed by Chris Murray

Appendix "A"

Location Map

