

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

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

Prepared By:	Patricia Chen	Division:	Corporate Real Estate Management
Date Prepared:	November 5, 2021	Phone No.:	416-338-3583

Purpose
 To obtain authority to enter into a sublease agreement and landlord's consent with Rexdale Community Health Centre (the "Sublandlord") and 1116188 Ontario Limited (the "Landlord") for the property municipally known as 222 Dixon Road, Unit 304 for the purpose of a dental clinic for low-income Ontarians registered in a government program (the "Sublease Agreement").

Property
 222 Dixon Road, Unit 304, Etobicoke, ON M9P 3S5, as shown on Appendix B – Location Map

Actions
 1. Authority be granted to enter into the Sublease Agreement with the Sublandlord and the Landlord, substantially on the major terms and conditions set out in Appendix "A", and including such other terms as deemed appropriate by the approving authority herein, and in a form acceptable to the City Solicitor.

Financial Impact
 The initial term shall be for 10 years less one day with one option to extend for an additional 5 years provided that the lease agreement between the Sublandlord and the property owner has been extended. The gross rent, consists of the basic rent, property taxes, insurance, maintenance, and all utilities, with an annual escalation of 3%, as shown below:

	Sq ft of premises	Cost psf	Annual Rent	Monthly Rent
Year 1	1,091	\$41.50	\$45,276.50	\$3,773.04
Year 2	1,091	\$42.75	\$46,640.25	\$3,886.69
Year 3	1,091	\$44.03	\$48,036.73	\$4,003.06
Year 4	1,091	\$45.35	\$49,476.85	\$4,123.07
Year 5	1,091	\$46.71	\$50,960.61	\$4,246.72
Year 6	1,091	\$48.11	\$52,488.01	\$4,374.00
Year 7	1,091	\$49.55	\$54,059.05	\$4,504.92
Year 8	1,091	\$51.04	\$55,684.64	\$4,640.39
Year 9	1,091	\$52.57	\$57,353.87	\$4,779.49
Year 10	1,091	\$54.15	\$59,077.65	\$4,923.14
Total cost pre-HST			\$519,054.16	
Total cost net of HST recoveries			\$528,189.51	

The financial impact of the 10 year term is \$519,054.16 (exclusive of HST) or \$528,189.51 (net of HST recoveries) and the financial impact of the additional 5 year extension, outlined on page 4, will cost \$323,056.01 (exclusive of HST) or \$328,741.80 (net of HST recoveries), totaling \$842,110.17 (exclusive of HST) or \$856,931.31 (net of HST recoveries).

Costs will be charged to cost centre PH3015 and are fully funded by the Ministry of Health through the Provincial Ontario Seniors Dental Care Program.

The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.

Comments
 The Ontario Seniors Dental Care Program ("OSDCP"), being operated out of the subleased premises, will be used to provide dental health services to low-income Ontarians registered with a government program that offers dental care support for clients that are (i) qualified clients of the Sublandlord, (ii) financially eligible and/or show proof of enrolment in a government program, thereby meeting the annual income requirements as per the Ministry of Health and its respective programs, and (iii) who have no private dental benefits.

It also provides comprehensive dental care to eligible low-income seniors to help reduce unnecessary trips to the hospital, prevent chronic disease and increase quality of life for seniors. The program is being implemented through a phased approach with other OSDCP sites in the works.

The OSDCP is to be delivered via boards of health, participating community health centres, and aboriginal health access centres across Ontario. These service delivery partners are well positioned to understand the needs of priority populations and provide high quality dental care to low-income seniors in their communities.

With respect to the board of health service delivery model, the board of health may enter into partnership contracts with other entities/organizations and/or providers/specialists as needed to provide services to enrolled clients in accordance with the OSDCP schedules of services for dentist and non-dentist providers on behalf of the Toronto Public Health Unit.

The board of health can allocate base funding for this program across the program expense categories, with every effort to be made to maximize clinical service delivery and minimize administrative costs.

Terms
 Refer to Appendix A – Major Terms & Conditions on page 4 for details.

Property Details

Ward:	1 - Etobicoke North
Assessment Roll No.:	
Approximate Size:	
Approximate Area:	Approximately 1,091 sq ft
Other Information:	

Revised: October 5, 2020

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
2A. Expropriations Where City is Expropriating Authority:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 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 \$50,000. <input type="checkbox"/> (b) Request Hearings of Necessity. <input type="checkbox"/> (c) Waive Hearings of Necessity.	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million. <input type="checkbox"/> (b) Request Hearings of Necessity. <input type="checkbox"/> (c) Waive Hearings of Necessity.
3. Issuance of RFPs/REOs:	Delegated to more senior positions.	<input type="checkbox"/> Issuance of RFPs/REOs.
4. Permanent Highway Closures:	Delegated to more senior positions.	<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:	Delegated to more senior positions.	Delegated to more senior positions.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	Delegated to more senior positions.	<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 \$50,000. <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.	<input type="checkbox"/> (a) Where total compensation (including options/ renewals) does not exceed \$1 Million. <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.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$50,000.	<input checked="" type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$1 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation does not exceed \$50,000. Delegated to more senior positions.	<input type="checkbox"/> (a) Where total compensation does not exceed \$1 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 \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
13. Revisions to Council Decisions in Real Estate Matters:	Delegated to more senior positions.	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).
14. Miscellaneous:	Delegated to more senior positions.	<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"/> (h) Consent to regulatory applications by City, as owner

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|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | <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"/> (k) Correcting/Quit Claim Transfer/Deeds |
|--|--|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

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 (Manager, Transaction Services is only Manager 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:	Michael Ford	Councillor:	
Contact Name:	councillor_mford@toronto.ca	Contact Name:	
Contacted by:	Phone <input type="checkbox"/> X 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 – January 21, 2022	Comments:	

Consultation with Divisions and/or Agencies

Division:	Toronto Public Health	Division:	Financial Planning
Contact Name:	Humphrey Liu	Contact Name:	Ciro Tarantino
Comments:	No objections – November 8, 2021	Comments:	Comments Incorporated - December 9, 2021

Legal Services Division Contact

Contact Name: Gloria Lee – Jan 24, 2022

DAF Tracking No.: 2022 - 015	Date	Signature
Concurred with by: Manager, Real Estate Services		X
<input type="checkbox"/> Recommended by: Manager, Real Estate Services Ronald Ro	May 12, 2022	Signed by Ronald Ro
<input checked="" type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Alison Folosea	Sept. 8, 2022	Signed by Alison Folosea

Appendix "A" - Major Terms & Conditions

Landlord: 1116188 Ontario Limited

Sublandlord: Rexdale Community Health Centre

Address: 222 Dixon Road, Unit 304

Square Footage: 1,091 sqft

Gross Rent: \$41.50 psf, increasing by 3% each year of the Term and the term under the Option to Extend

Term: 10 years commencing on November 1, 2021 and expiring October 30, 2031.

Sublandlord's Work: Space to be outfitted by the Sublandlord upon completion/execution of the agreement at their sole expense and rent to begin immediately.

Use: Dental clinic.

Option to Extend: 5 years less one day provided the Sublandlord exercised its right to extend the term of the lease agreement with the property owner, with the financial breakdown as follows:

	Sq ft of premises	Cost psf	Annual Rent	Monthly Rent
Year 11	1,091	\$55.77	\$60,845.07	\$5,070.42
Year 12	1,091	\$57.45	\$62,677.95	\$5,223.16
Year 13	1,091	\$59.17	\$64,554.47	\$5,379.54
Year 14	1,091	\$60.95	\$66,496.45	\$5,541.37
Year 15	1,091	\$62.77	\$68,482.07	\$5,706.84
Total cost pre-HST			\$323,056.01	
Total cost net of HST recoveries			\$328,741.80	

Insurance: During the Term, the City shall take out and maintain with respect to the subleased premises and the City's use and occupation thereof and furnish to the Sublandlord certificates of a policy or policies of an insurance company or companies of legal liability insurance for bodily injury or death or property damage resulting from each occurrence in the amount of not less than Two Million (\$2,000,000.00) Dollars. The Sublandlord shall be added as an additional insured to the policy.

Each policy shall contain an endorsement requiring the insurers to notify the Sublandlord in writing, by registered mail, at least thirty (30) days prior to cancellation thereof.

The City shall promptly advise of any cancellation, material alteration or lapse of any policies of insurance required this insurance clause.

Appendix "B" – Location Map

