

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

TRACKING NO.: 2022-176

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

Prepared By:	Owen Bartley	Division:	Corporate Real Estate Management
Date Prepared:	November 2, 2022	Phone No.:	(416) 338-1297
Purpose	To obtain authority to enter into a Second Lease Extension Agreement and Amending Agreement (the " Agreement ") with 834 Caledonia Holdings Inc. (the " Landlord ") with respect to the property municipally known as 834 Caledonia Road, Toronto for occupancy and use by the Toronto Transit Commission's Subway Infrastructure Department's Wiring and Service section.		
Property	The property municipally known as 834 Caledonia Road, Toronto ON, and legally described as: LT 7 PL 4473 North York; PT LT 3 CON 3 WYS twp of York as in NY192396, S/T NY192396; S/T Restrictions In E490419 , City Of Toronto; being all of the PIN 10338-0186 (LT) (the "Property"), as shown on the Location Map in Appendix "B".		
Actions	1. Authority be granted to enter into the Agreement with the Landlord, substantially on the major terms and conditions set out in Appendix "A" and including such other or amended terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.		
Financial Impact	<p>The total cost to the City is estimated to be approximately \$1,791,470.13 (plus HST) or \$1,823,000.00 (net of HST recoveries).</p> <p>The cost to the City on a fiscal year basis is estimated as follows:</p> <ol style="list-style-type: none"> 1. \$28,900.00 (net of HST recovery) in 2022 2. \$346,600.00 (net of HST recovery) in 2023 3. \$350,600.00 (net of HST recovery) in 2024 4. \$368,900.00 (net of HST recovery) in 2025 5. \$372,600.00 (net of HST recovery) in 2026 6. \$355,400.00 (net of HST recovery) in 2027 <p>Funding for the first year of this extension is included in the 2022 Council Approved Operating Budget for the TTC under cost centre 9999/account number 43219000, with subsequent years to be included in future operating budget submissions for Council consideration.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>On January 24, 2014 the TTC entered into an initial lease with the Landlord for a five-year term commencing from December 1, 2012 and expiring on November 30, 2017. By a first lease extension agreement dated March 22, 2017, between the Landlord and TTC, the term of the lease was extended from December 1, 2017 until November 30, 2022. TTC has requested a further lease extension in order to maintain ongoing operational programs</p> <p>The proposed basic fee and other major terms and conditions of the Agreement are considered to be fair, reasonable and reflective of market rates.</p>		
Terms	See Appendix "A".		
Property Details	Ward:	8 – Eglinton-Lawrence	
	Assessment Roll No.:	19 08 042 060 018 00	
	Approximate Size:		
	Approximate Area:	1428.57 m ² ± (15,377 ft ² ±)	
	Other Information:		

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate 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/REOs:</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/Licensor):</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 \$3 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p>Request/waive hearings of necessity delegated to less senior positions.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 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 \$3 Million.</p> <p><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.</p> <p>Delegated to a more senior position.</p> <p><input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$3 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 \$3 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>	<p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p>Request/waive hearings of necessity delegated to less senior positions.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 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 \$5 Million.</p> <p><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.</p> <p><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.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$5 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 \$5 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. Deputy City Manager, Corporate Services and Executive Director, Corporate Real Estate Management each has signing authority on behalf of the City for:

- 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

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

Consultation with Councillor(s)

Councillor:	Mike Colle	Councillor:	
Contact Name:	Andy Stein	Contact Name:	
Contacted by:	<input type="checkbox"/> Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other	Contacted by:	<input type="checkbox"/> Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other
Comments:	No concerns	Comments:	

Consultation with Divisions and/or Agencies

Division:	TTC	Division:	Financial Planning
Contact Name:	Cheryl Wright	Contact Name:	Gabrielle Duthie
Comments:	No concerns	Comments:	Revisions incorporated

Legal Services Division Contact

Contact Name:	Michelle Xu
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DAF Tracking No.: 2022-176	Date	Signature
Recommended by: Manager, Real Estate Services	Nov. 2, 2022	Signed by Van Hua
Recommended by: Director, Real Estate Services	Nov. 2, 2022	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	Nov. 3, 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:	834 Caledonia Holdings Inc.
Tenant:	City of Toronto
Address:	834 Caledonia Road, Toronto
Leased Premises Area:	15,377 sq ft
Term:	Five (5) years
Commencement:	December 1, 2022
Expiry:	November 30, 2027
Minimum Rent:	Year 1 - \$15.00 per sq ft Year 2 - \$15.00 per sq ft Year 3 - \$16.00 per sq ft Year 4 - \$16.00 per sq ft Year 5 - \$16.80 per sq ft
Utilities & Operating Costs:	Estimated at \$4.93 per sq ft per year for 2022
Realty Tax:	Exempt from payment
Early Termination:	The Landlord may terminate the Lease at any time if the Landlord wishes to demolish, alter or renovate the entire Building by delivering written notice to the Tenant nine (9) months in advance of such early termination date.

