

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

TRACKING NO.: 2022-137

Approved pursuant to the Delegated Authority contained in Article 2 of City of Toronto Municipal Code Chapter 213, Real Property			
Prepared By:	Darcy Watt/ Winnie Lam	Division:	Toronto Parking Authority
Date Prepared:	July 12, 2022	Phone No.:	437-488-1303
Purpose	To obtain authority for the City of Toronto ("the City") to enter into a lease agreement (the " Lease ") with Tokyo Kitchen Ltd. (the " Tenant ").		
Property	Approximately 1,614 square feet of retail space on the ground floor of Car Park 1. The address is Unit 1 & 2, 20 Charles Street E. The general location and a sketch of the Property are shown on Appendix "B" (the " Property ").		
Actions	1. Authority be granted for the City to enter into a lease agreement (the " Lease ") with Tokyo Kitchen Ltd. on the terms and conditions set out herein and on such other or further terms and conditions as may be agreed to by the Executive Director, Transaction Services, or her delegate in consultation with the Vice-President, Toronto Parking Authority (" TPA "), or his delegate and in a form acceptable to the City Solicitor.		
Financial Impact	<p>The total revenue to the City for the five (5) year term of the Lease (the "Term") will be \$524,550.00 plus HST and applicable taxes. The property taxes, operating and maintenance costs associated with the Property during the Term will be paid by the Tenant directly to TPA according to the terms of the Lease. Details of annual revenue, exclusive of HST, can be found in Schedule "A" attached hereto. If exercised, the estimate total revenue to the City for the five (5) year extension Term will be \$540,286.50 based off estimated future market rate rents.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>Tokyo Kitchen (the "Tenant") has been a tenant of part of the Property since December 1996 pursuant to a lease with TPA dated December 1, 1996 (the "Original Lease") as amended and extended from time to time. On February 11, 2016, the Tenant surrendered its lease at the request of TPA to accommodate a TPA construction project at Car Park 1 and vacated the unit. At the time of the surrender of the lease, the Tenant entered into a letter agreement with TPA which outlined the terms and conditions of a new lease agreement which the tenant would enter into upon re-occupation of the unit once construction was completed. The Tenant re-occupied its original unit and Unit 2 on December 7, 2017, but did not enter into a new lease agreement with TPA and did not pay any rent due to the lack of a lease agreement. In 2022, the TPA reached a settlement with the Tenant to recover a portion of the outstanding rental arrears from the 2017-present period. The settlement received Council approval at the Council meeting of May 11-12, 2022 (Item GL30.7). Additional details on the Council decisions can be found at the links below. As part of the settlement, the Tenant and TPA have agreed that the Tenant will enter into a new 5-year lease agreement with City of Toronto as landlord on the principal terms set out in Appendix A hereto.</p> <p>http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2022.GL30.7</p> <p>https://www.toronto.ca/legdocs/mmis/2022/gl/bgrd/backgroundfile-224625.pdf</p>		

Terms	<i>Please see Appendix A</i>	
Property Details	Ward:	11 – University Rosedale
	Assessment Roll No.:	
	Approximate Size:	n/a
	Approximate Area:	149.95 m2 (1,614 sq. ft.)
	Other Information:	

Revised: October 5, 2020

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
2A. Expropriations Where City is Expropriating Authority:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 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 \$3 Million. Request/waive hearings of necessity delegated to less senior positions.	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million. Request/waive hearings of necessity delegated to less senior positions.
3. Issuance of RFPs/REOIs:	<input type="checkbox"/> Issuance of RFPs/REOIs.	<input type="checkbox"/> Issuance of RFPs/REOIs.
4. Permanent Highway Closures:	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.	<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:	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.	<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 checked="" type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 Million. <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. Delegated to a more senior position.	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million. <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. <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.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> (a) Where total compensation does not exceed \$3 Million. <input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.	<input type="checkbox"/> (a) Where total compensation does not exceed \$5 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 \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
13. Revisions to Council Decisions	<input type="checkbox"/> Amendment must not be materially inconsistent	<input type="checkbox"/> Amendment must not be materially inconsistent

in Real Estate Matters:

14. Miscellaneous:

with original decision (and subject to General Condition (U)).

- (a) Approvals, Consents, Notices and Assignments under all Leases/Licences
- (b) Releases/Discharges
- (c) Surrenders/Abandonments
- (d) Enforcements/Terminations
- (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates
- (f) Objections/Waivers/Cautions
- (g) Notices of Lease and Sublease
- (h) Consent to regulatory applications by City, as owner
- (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title
- (j) Documentation relating to Land Titles applications
- (k) Correcting/Quit Claim Transfer/Deeds

with original decision (and subject to General Condition (U)).

- (a) Approvals, Consents, Notices and Assignments under all Leases/Licences
- (b) Releases/Discharges
- (c) Surrenders/Abandonments
- (d) Enforcements/Terminations
- (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates
- (f) Objections/Waivers/Cautions
- (g) Notices of Lease and Sublease
- (h) Consent to regulatory applications by City, as owner
- (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title
- (j) Documentation relating to Land Titles applications
- (k) Correcting/Quit Claim Transfer/Deeds

B. Deputy City Manager, Corporate Services and Executive Director, Corporate Real Estate Management each has signing authority on behalf of the City for:
<ul style="list-style-type: none"> • Documents required to implement matters for which each position also has delegated approval authority.
<ul style="list-style-type: none"> • Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.
<ul style="list-style-type: none"> • Expropriation Applications and Notices following Council approval of expropriation.
<ul style="list-style-type: none"> • Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents.

Pre-Condition to Approval											
<input checked="" type="checkbox"/> Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property											
Consultation with Councillor(s)											
Councillor:			Mike Layton			Councillor:					
Contact Name:			Mike Layton			Contact Name:					
Contacted by:			Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other		
Comments:			Concurred – June 10, 2022			Comments:					
Consultation with Divisions and/or Agencies											
Division:			Toronto Parking Authority			Division:			Financial Planning		
Contact Name:			Darcy Watt			Contact Name:			Tony Catalano		
Comments:			Concurred – June 9, 2022			Comments:			Concurred – June 14, 2022		
Legal Services Division Contact											
Contact Name:			Mark Zwegers								

DAF Tracking No.: 2022-137	Date	Signature
Recommended by: Ronald Ro, Manager, Real Estate Services	Sept. 28, 2022	Signed by Ronald Ro
		X
Recommended by: Director, Corporate Real Estate Management Approved by: Alison Folosea (her/she)	Oct. 12, 2022	Signed by Alison Folosea
Approved by: Executive Director, Corporate Real Estate Management Patrick Matozzo (he/him)	Oct. 14, 2022	Signed by Patrick Matozzo

Appendix "A"
Major Terms and Conditions

Landlord: City of Toronto

Tenant: Tokyo Kitchen Ltd.

Indemnifiers: Jun Yamashita and Kumi Nakayama

Leased Premises: Unit 1 & 2, 20 Charles Street East (Municipal Car Park 1), Toronto, ON

Leased Area: Approximately 1,614 square feet

Use: Japanese restaurant

Term: Five (5) years commencing July 1, 2022.

Basic Rent: \$65.00 per square foot, per annum for the duration of the Term. Estimated Basic Rent for the entire Term is \$524,550.00.

Option to Extend: Provided the Tenant is not in default, it shall have 1 option to extend the Term of the Lease for a further 5 year period on the same terms as the existing lease, except there shall be no further options to extend and rent for the extended term shall be the then-prevailing market rent, which, failing agreement with the Tenant, shall be determined by arbitration. The Tenant must exercise the option to extend no earlier than 1 year prior to the end of the Lease but no later than 6 months prior to the expiry of the original Term of the lease.

Additional Rent: The Lease shall be a net lease and the Tenant shall pay as additional rent as provided in the Lease which shall include the Tenant's proportionate share of realty taxes, utilities and maintenance.

Utilities & HVAC: TPA must perform all maintenance of the HVAC and utilities systems and is responsible to maintain and repair the Leased Premises at its sole cost and expense.

Security Deposit: Tenant to pay to the City upon execution of the lease the sum \$17,485.00 as a security deposit for the due performance of the Tenant's covenants and obligations under the lease.

Appendix "B" Location Map and Property



