

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

TRACKING NO.: 2022-239

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

Prepared By:	Boluwarin Mojeed	Division:	Corporate Real Estate Management
Date Prepared:	November 21, 2022	Phone No.:	416-392-7399

Purpose	To obtain authority to enter into a Lease Extension and Amending Agreement between 1594342 Ontario Limited (the "Landlord") and the City for the continuing use of approximately 13,875 square feet of community program space within the property known municipally as 160 Eglinton Avenue East, Toronto.		
Property	Approximately 13,875 square feet of total rentable space at 160 Eglinton Avenue East, Toronto as shown in Appendix "B" (the "Leased Premises").		
Actions	1. Authority to be granted to enter into a Lease Extension and Amending Agreement between the Landlord and the City for the Leased Premises, substantially on the major terms and conditions set out in Appendix "A", and including such other terms and conditions as deemed appropriate by the approving authority herein and in a form acceptable to the City Solicitor.		
Financial Impact	<p>The total cost to the City for the initial three (3) year and one (1) day term inclusive of minimum rent and additional rent, which consists of the City's proportionate share of common area maintenance, will be \$1,125,206.25 (plus HST) or \$1,145,009.88 (net of HST recovery).</p> <p>If the two (2) year additional option to extend is exercised, the total estimated cost to the City, for the initial three (3) year and one (1) day term plus the two (2) year additional option to extend, inclusive of minimum rent and additional rent, which consists of the City's proportionate share of common area maintenance, will be \$1,931,885.25 (plus HST) or \$1,965,886.43 (net of HST recovery).</p> <p>Lease costs to be paid by the City for each fiscal year is shown in Appendix "A" – Major Terms and Conditions. Funding is available in the 2022 Council Approved Operating Budget for Corporate Real Estate Management ("CREM") under cost centre FA1481, and will 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 implications as identified in the Financial Impact section.</p>		
Comments	<p>The Central Eglinton Community Centre remains an integral part of the Yonge/Eglinton community providing a wide variety of services ranging from child care to income tax preparation seminars. This Community Centre is one of 10 such centres known as the Association of Community Centres (AOCC) who receive their funding as a group via the annual City Council approved Operating Budget.</p> <p>By the adoption of Clause 31 of the former City of Toronto Executive Committee Report No. 23, as approved on August 10, 1992, the City entered into a 10 year lease with Coscan Development Corp. for the establishment of the Central Eglinton Community Centre. Under the authority of Delegated Approval Form 1999-153 the lease was amended to increase the demised area by 3,106 sq. ft. to a total of 11,039 sq. ft. The amendment was structured to expire on the date of the original lease on November 30, 2002. Under the authority of Delegated Approval Form 2002-133, the lease was renewed with the new owners of the property, Brookfield Properties Ltd., for a further term of 10 years less one day expiring on November 29, 2012. A further renewal for a five year term was approved under Delegated Approval Form 2012-225 with the new owner 1594342 Ontario Ltd. A further renewal for a five year term from November 30, 2012 to November 29, 2022 was approved under Delegated Approval Form 2017-122.</p> <p>This proposed lease renewal for a further three (3) years and one (1) day, with a further option to renew for additional two (2) years, will ensure the continuation of the community centre in this location as part of the city planning objectives. Corporate Real Estate Management staff consider the proposed lease rates and other major terms and conditions of the lease extension to be fair, reasonable and reflective of fair market value.</p> <p>CREM, in collaboration with CreateTO, will continue efforts to identify a long-term site within the City's portfolio.</p>		
Terms	Refer to Appendix "A" – Major Terms and Conditions on page 4.		

Property Details	Ward:	12 – Toronto-St. Paul's
	Assessment Roll No.:	1904 104 010 05600
	Approximate Size:	N/A
	Approximate Area:	13,875 sq. ft.
	Other Information:	N/A

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/REOs:	<input type="checkbox"/> Issuance of RFPs/REOs.	<input type="checkbox"/> Issuance of RFPs/REOs.
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 type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 Million.	<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"/> (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"/> (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 checked="" 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 in Real Estate Matters:	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).
14. Miscellaneous:	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences
	<input type="checkbox"/> (b) Releases/Discharges	<input type="checkbox"/> (b) Releases/Discharges
	<input type="checkbox"/> (c) Surrenders/Abandonments	<input type="checkbox"/> (c) Surrenders/Abandonments
	<input type="checkbox"/> (d) Enforcements/Terminations	<input type="checkbox"/> (d) Enforcements/Terminations
	<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates	<input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates
	<input type="checkbox"/> (f) Objections/Waivers/Cautions	<input type="checkbox"/> (f) Objections/Waivers/Cautions
	<input type="checkbox"/> (g) Notices of Lease and Sublease	<input type="checkbox"/> (g) Notices of Lease and Sublease
	<input type="checkbox"/> (h) Consent to regulatory applications by City, as owner	<input type="checkbox"/> (h) Consent to regulatory applications by City, as owner
	<input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title	<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"/> (j) Documentation relating to Land Titles applications
<input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds	<input type="checkbox"/> (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:

- 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:	Josh Matlow	Councillor:	
Contact Name:	Andrew Athanasiu	Contact Name:	
Contacted by:	Phone <input type="checkbox"/> E-Mail <input checked="" 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 (November 16, 2022)	Comments:	

Consultation with Divisions and/or Agencies

Division:	Association of Community Centres	Division:	Financial Planning Division
Contact Name:	John Carey	Contact Name:	Filisha Jenkins
Comments:	Concurred	Comments:	Concurred

Legal Services Division Contact

Contact Name:	Shahab Siddiqui
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DAF Tracking No.: 2022-239	Date	Signature
Recommended by: Manager, Real Estate Services Leila Valenzuela	Nov. 21, 2022	Signed by Leila Valenzuela
Recommended by: Director, Real Estate Services Alison Folosea	Nov. 25, 2022	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	Nov. 27, 2022	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Patrick Matozzo		
<input type="checkbox"/> Approved by:		

Appendix "A" – Major Terms and Conditions

Landlord: 1594342 Ontario Ltd.

Tenant: City of Toronto, Central Eglinton Community Centre, Association of Community Centres

Leased Premises: 160 Eglinton Avenue East

6,469 square feet on the ground floor (Suite 100)
 3,106 square feet on the second floor (Suite 201)
 1 464 square feet on the mezzanine (Suite 100M)
2,836 square feet on the third floor (Suite 320)
 Total 13,875 square feet

Use: Community Centre

Renewal Term: Three (3) years and one (1) day, commencing November 30, 2022 and expiring November 30, 2025

Further Option to Renew: One (1) additional period of two (2) years

Base Rent: \$16.50 per sq. ft. in Year 1, \$17.00 per sq. ft. in Year 2, \$17.50 per sq. ft. in Year 3, for Suites 100, 201 and 320, plus HST. \$9.50 in Year 1 to 3 for Suite 100M, plus HST. For the additional 2 years, base rent is \$18.00 per sq. ft. in Year 1, \$18.50 per sq. ft. in Year 2, for Suites 100, 201 and 320, plus HST. \$10.00 in Year 1 to 2 for Suite 100M, plus HST.

Additional Rent:

The estimated rate for additional rent is \$10.49 per sq. ft. in Year 1, \$10.82 per sq. ft. in Year 2, and \$11.16 per sq. ft. in Year 3, plus HST. For the additional 2 years, additional rent is \$11.51 per sq. ft. in Year 1 and \$11.87 per sq. ft. in Year 2, plus HST.

Total estimated costs including the additional 2-year term by fiscal year are shown below:

	Year 1	Year 2	Year 3	Year 4	Year 5
Base Rent (Before HST)	\$218,689.50	\$ 224,895.00	\$ 231,100.50	\$ 238,038.00	\$ 244,243.50
Additional Rent (Before HST)	\$145,548.75	\$ 150,127.50	\$ 154,845.00	\$ 159,701.25	\$ 164,696.25
Subtotal	\$364,238.25	\$ 375,022.50	\$ 385,945.50	\$ 397,739.25	\$ 408,939.75
Total (Subtotal + HST)	\$411,589.22	\$ 423,775.43	\$ 436,118.42	\$ 449,445.35	\$ 462,101.92
Total Net of HST Recovery	\$370,648.84	\$ 381,622.90	\$ 392,738.14	\$ 404,739.46	\$ 416,137.09

*Additional Rent is estimated to increase annually by 3%

