

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

TRACKING NO.: 2022-216

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

Prepared By:	Lianne Chen	Division:	Corporate Real Estate Management
Date Prepared:	Sept 21, 2022	Phone No.:	416-392-7665

<b>Purpose</b>	To obtain authority to enter into a lease agreement with KM Marketing International Ltd. (the " <b>Tenant</b> ") with respect to the property municipally known as 705 Progress Avenue, Unit 6, Toronto, for the purpose of the offices, warehousing, distribution and assembly of lighting fixtures (the " <b>Lease Agreement</b> ").
<b>Property</b>	The property municipally known as 705 Progress Avenue, Unit 6, Toronto, as shown on the Location Map in Appendix "A", comprising approximately 2,038 sq. ft. (the " <b>Premises</b> ").
<b>Actions</b>	1. Authority be granted to enter into the Lease Agreement with the Tenant, substantially on the major terms and conditions set out in Appendix "B", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.
<b>Financial Impact</b>	<p>705 Progress Avenue is a jointly owned facility between the City of Toronto and the Toronto District School Board (collectively, the "<b>Landlord</b>"). Net revenues collected are divided equally between the parties. The City's portion of total revenues is \$26,494.00 (plus HST), based on the total minimum rent from the lease agreement of \$52,988.00 (plus HST), for the period of thirty-six (36) months commencing June 1, 2020 and ending May 31, 2023 of the Lease Agreement, as per below table. The City's net revenue portion will be transferred to the dedicated parkland reserve fund (5% and 2% Land Acquisition Reserve Fund Scarborough - XR2007) less the management fee to be directed to the 2022 Council Approved Operating Budget for Corporate Real Estate Management (CREM), under cost centre FA1378 and will be included in future operating budget submissions for Council consideration. Rents pertaining to 2020 and 2021 were received in the respective fiscal years.</p> <p>2020: \$ 9,807.87 (plus HST)                  2021: \$17,110.71 (plus HST)                  2022: \$18,214.63 (plus HST)                  2023: \$ 7,854.79 (plus HST)  <b>Total: \$52,988.00 (plus HST)</b></p> <p>The tenant is responsible for the proportionate share of realty taxes, building insurance and maintenance, as well as all other operating costs of the building including water, gas, hydro, heating and air conditioning.</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>
<b>Comments</b>	<p>705 Progress Avenue is an industrial mall type of property consisting of approximately 156,000 square feet acquired in August, 1996 by the former City of Scarborough in partnership with the former Scarborough Board of Education (the "<b>Board</b>"). Pending development of the property as a future park and a school facility, it was decided to continue to lease the units to multiple tenants. Former City of Scarborough and the Board entered into an Operating Agreement dated January 2, 1997, which provided that the City, in consultation with the Board, would engage a property manager (currently Compass Commercial Realty LP) and enter into a management agreement. The City and the property manager would be responsible for the day-to-day operation of the property. There are no plans at the present time to carry out the intended uses by the City and the Board for the property.</p> <p>The proposed rent and other major terms and conditions of the Lease Agreement are considered to be fair, reasonable and reflective of market rates.</p> <p>Toronto District School Board (TDSB) acknowledged the receipt of the Tenant's basic information, along with Appendix A &amp; B within the Delegated Authorization Form.</p>
<b>Terms</b>	See Appendix "B".

<b>Property Details</b>	<b>Ward:</b>	24-Scarborough Guildwood
	<b>Assessment Roll No.:</b>	Part of 1901-05-2-810-04300
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	2,038 sq. ft.
	<b>Other Information:</b>	

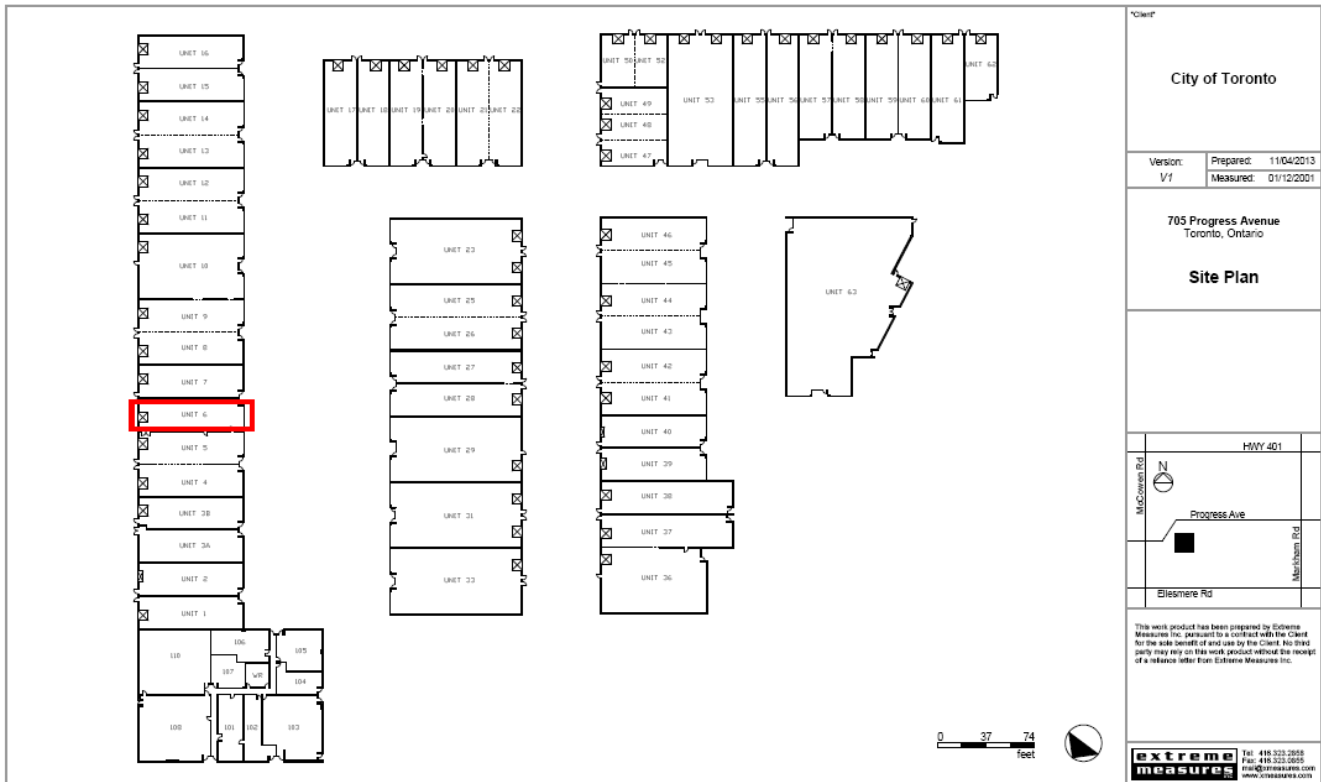
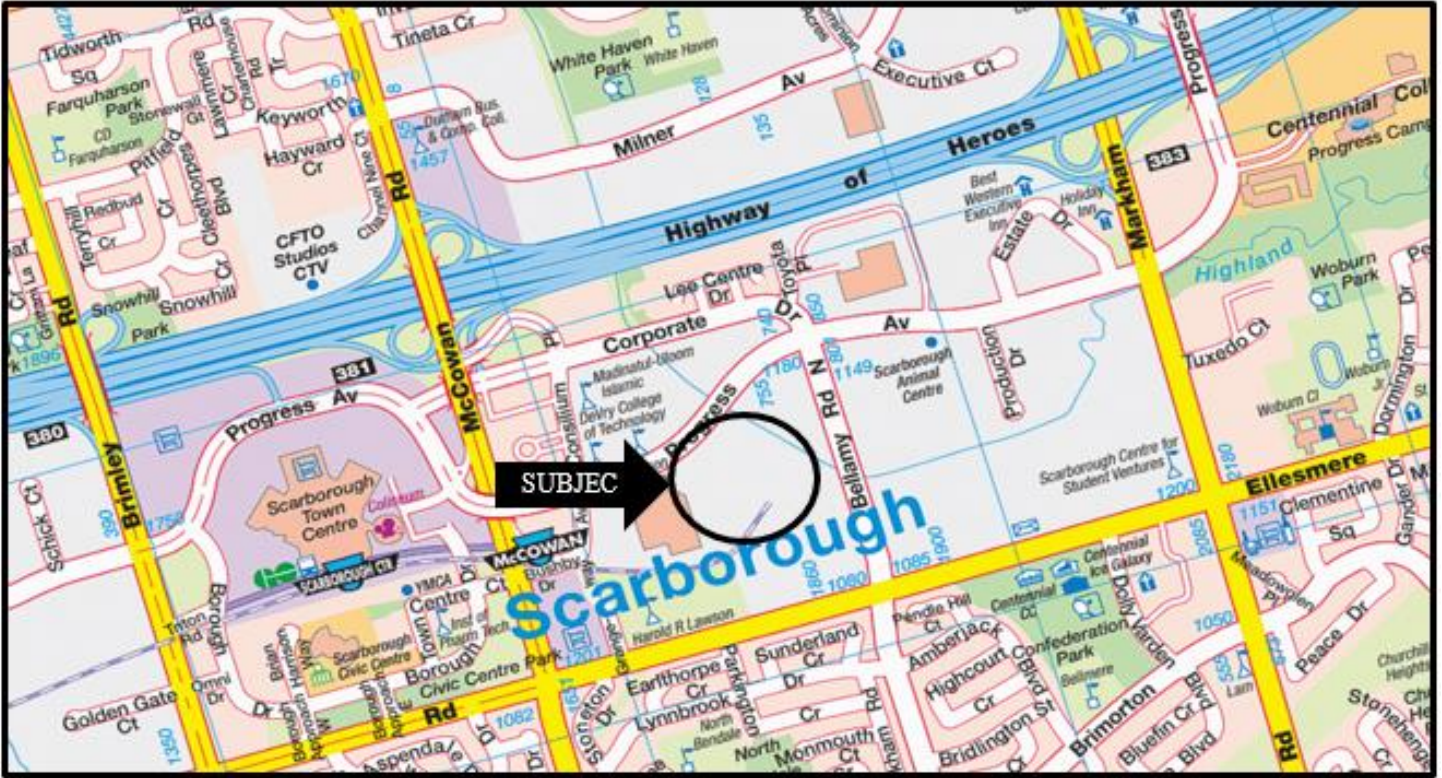
A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services has approval authority for:
<p>1. Acquisitions:</p> <p>2A. Expropriations Where City is Expropriating Authority:</p> <p>2B. Expropriations For Transit-Related Purposes Where City is Property Owner or Has Interest 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 &amp; Parks &amp; 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 \$50,000.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to more senior positions.</b></p> <p><input checked="" type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><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.</p> <p><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to more senior positions.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></p>	<p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><b>Delegated to more senior positions.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 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 \$1 Million.</p> <p><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.</p> <p><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$1 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 \$1 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>B. Director, Real Estate Services and Manager, Real Estate Services each has signing authority on behalf of the City for:</b>
<ul style="list-style-type: none"> <li>• Documents required to implement matters for which each position also has delegated approval authority.</li> <li>• Expropriation Applications and Notices following Council approval of expropriation (Managers whose position includes responsibility for implementing Council-approved expropriations are the only Managers with such signing authority).</li> </ul>
<b>Director, Real Estate Services also has signing authority on behalf of the City for:</b>
<ul style="list-style-type: none"> <li>• Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.</li> <li>• Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents.</li> </ul>

<b>Pre-Condition to Approval</b>			
<input checked="" type="checkbox"/> Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property			
<b>Consultation with Councillor(s)</b>			
Councillor:	Paul Ainslie	Councillor:	
Contact Name:	Alex Amelin	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:	Jan 20, 2021 – No objections	Comments:	
<b>Consultation with Divisions and/or Agencies</b>			
Division:		Division:	<b>Financial Planning</b>
Contact Name:		Contact Name:	Filisha Jenkins
Comments:		Comments:	November 2, 2022 – No Objections
<b>Legal Services Division Contact</b>			
Contact Name:	Seija Pietrangelo (Comments incorporated)		

DAF Tracking No.: 2022-216	Date	Signature
Concurred with by: Manager, St Lawrence Market Complex Daniel Picheca	Dec. 8, 2022	Signed by Daniel Picheca
<input type="checkbox"/> Recommended by: Manager, Real Estate Services Abdulle Elmi	Dec. 6, 2022	Signed by Abdulle Elmi
<input checked="" type="checkbox"/> Approved by:		
<input type="checkbox"/> Approved by: Director, Real Estate Services		X

**Appendix A**  
**Floor Plan & Location Map**





705 Progress Avenue Unit 62  
Toronto, Ontario M1H 2X1  
Tel: (416) 430-0015 Fax: (416) 430-0016  
e-mail: mudamp@cs.siber.com

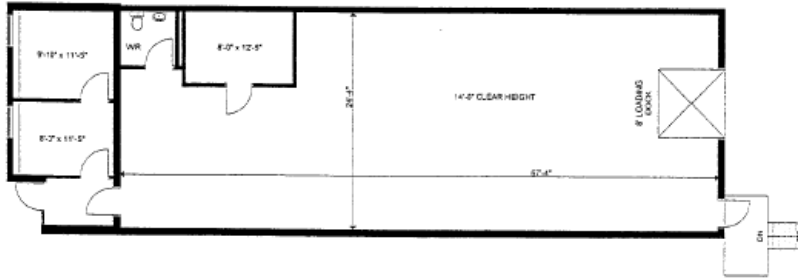
Version 1.0 | November 2001

705 Progress Ave.  
Scarborough On.  
M1H 2X1  
Unit 6

Area  
  
2,038 sq ft



prepared by:  
**extreme measures** Tel: 416-323-2868  
Fax: 416-323-0868  
mail: @extrememeasures.com  
www: www.extrememeasures.com



Measured Using  
Laser Technology



**Appendix "B"**  
**Major Terms and Conditions**

<b>Minimum Rent:</b>	Month 1-12      \$16,813.50 net of HST (\$8.25/ft <sup>2</sup> ) Month 13-24    \$17,323.00 net of HST (\$8.50/ft <sup>2</sup> ) Month 25-36    \$18,851.50 net of HST (\$9.25/ft <sup>2</sup> )
<b>Additional Rent:</b>	Estimated \$11,270.14, plus any applicable taxes based on the 2022 operating cost budget rate of \$5.53/ ft <sup>2</sup> .
<b>Area of Premises:</b>	Approximately 2,038 ft <sup>2</sup> .
<b>Term:</b>	Three (3) years (June 1, 2020 – May 31, 2023).
<b>Use:</b>	The Premises shall be used and shall continually be operated throughout the term for the offices, warehousing, distribution and assembly of lighting fixtures.
<b>Landlord's Work:</b>	N/A.
<b>Prepaid Rent</b>	First Months' Rent = N/A  Last Months' Rent = \$2,940.09  Total = \$2,940.09
<b>Security Deposit:</b>	\$2,940.09
<b>Option to Extend:</b>	N/A.
<b>Tenant's Early Termination:</b>	N/A
<b>Landlord's Early Termination:</b>	Upon six (6) months' prior written notice.
<b>NSF Fee:</b>	\$40.00 per NSF cheque.
<b>Late Payment Charges:</b>	1.25% per month or 15% per annum.
<b>Payment:</b>	Tenant to provide post-dated cheques monthly or arrange to pay the same by pre-authorized bank payment.
<b>Parking:</b>	The Tenant may park a maximum of one (1) vehicle (a trailer on its own will count as one (1) vehicle) at the rear door which belongs to the Premises, or as designated by the Landlord, in its sole discretion and from time to time. The Tenant's vehicle shall not block the fire lane and the length of the vehicle shall not exceed thirty (30) feet long. The Tenant shall not have any other vehicles on the Lands, parked or otherwise, which are directly or indirectly associated with the Permitted Use. The Tenant shall not park any vehicles at the front of the Premises.
<b>Water Heater:</b>	The Tenant agrees to be responsible for the installation and rental of its own water heater, and any related costs. If there is an existing heater present, then the Tenant shall be responsible for the cost of repair and/or replacement, including any related costs.
<b>Tenant Acknowledgement:</b>	The Tenant acknowledges that portions of the Lands and Building are being used to provide shelter services. In addition to the release contained in Section 11.12 of the Lease Agreement, the Tenant releases the Landlord from all liability, costs, damages, claims or demands claimed to be caused by shelter services, including interference with business operation and quiet enjoyment.