

Approved pursuant to the Delegated Authority contained in Article 2 of City of Toronto Municipal Code Chapter 213, Real Property, as amended by Item CC47.4, as adopted by City Council at its meeting held on July 19, 20, 21 and 22, 2022.													
Prepared By:	Patricia Chen	Division:	Corporate Real Estate Management										
Date Prepared:	September 16, 2022	Phone No.:	416-338-3583										
Purpose	To obtain authority for the City of Toronto (the "Tenant"), to enter into an extension and amending agreement to extend an existing Offer to Lease (the "Lease") with 545 Lakeshore West Property Inc. (the "Landlord"), for the Property (as defined below) at 545 Lake Shore Blvd. W., for a term of four years.												
Property	The property municipally known as 545 Lake Shore Blvd. W. and legally described as PT BLK D PL D1397 TORONTO; PT BLK 3-4 PL D1429 TORONTO PT 5 63R4555, PT 1 64R13502; SUBJECT TO AN EASEMENT AS IN AT4536447; CITY OF TORONTO, Being all of PIN 21418-0112 (LT) (the "Property") and shown outlined in red on Plan 63R4555 and on Plan 64R13502 in Appendix "B" and on the Location Map in Appendix "C".												
Actions	<ol style="list-style-type: none"> 1. Authority be granted to enter into a Second Extension and Amending Agreement (the "Agreement") with the Landlord to extend the Lease for a term commencing on October 1, 2022 and expiring on September 30, 2026, 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 satisfactory to the City Solicitor. 												
Financial Impact	<p>Total net rent to the City for the four year extension term is \$11,100,000.00 (plus HST) or \$11,295,360.00 (net of HST recoveries), payable in advance in equal monthly installments of \$229,166.67 (plus HST) or \$233,200.00 (net of HST recoveries) for the first three years and \$237,500.00 (plus HST) or for the fourth year.</p> <p>The cost to the City on a fiscal year basis, is as follows:</p> <ol style="list-style-type: none"> 1. \$687,500.00 (\$699,600.00 net of HST recoveries) in 2022 2. \$2,750,000.00 (\$2,798,400.00 net of HST recoveries) in 2023 3. \$2,750,000.00 (\$2,798,400.00 net of HST recoveries) in 2024 4. \$2,775,000.00 (\$2,823,840.00 net of HST recoveries) in 2025 5. \$2,137,500.00 (\$2,175,120.00 net of HST recoveries) in 2026 <p>Funding is available in the 2022 Council Approved Operating Budget for Shelter, Support and Housing Administration ("SSHA") under account F03705. Funding for future year expenditures will be referred to the City's annual budget process and will be included in the Operating budget submission as required.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>												
Comments	<p>The City has been operating a shelter at the Property since September 15, 2018, as authorized by DAF 2018-281 until September 30, 2020. The Lease was extended by DAF 2020-131 from October 1, 2020 until September 30, 2021, with an option to extend, since exercised by the City, for a further year from October 1, 2021 to September 30, 2022. This site will continue to operate as a shelter through the extension pursuant to the Agreement, with no program changes being contemplated.</p> <p>The Property is approximately 90,040 sq. ft., and comprises the basement and four floors. SSHA is currently using the Property as a shelter through a purchase of service provider. Programs provide supports and are pet-friendly and accessible. The Property also consists of parking lot lands which has approximately 130 parking lot stalls that is being operated for revenue through an MOU with the Toronto Parking Authority.</p> <p>The proposed rent and other major terms and conditions of the Agreement are considered fair, reasonable and reflective of market rates.</p>												
Terms	See Appendix "A".												
Property Details	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%; padding: 5px;">Ward:</td> <td style="padding: 5px;">10 – Spadina-Fort York</td> </tr> <tr> <td style="padding: 5px;">Assessment Roll No.:</td> <td style="padding: 5px;"></td> </tr> <tr> <td style="padding: 5px;">Approximate Size:</td> <td style="padding: 5px;"></td> </tr> <tr> <td style="padding: 5px;">Approximate Area:</td> <td style="padding: 5px;">8,364.99 m² ± (90,040 ft² ±)</td> </tr> <tr> <td style="padding: 5px;">Other Information:</td> <td style="padding: 5px;"></td> </tr> </table>			Ward:	10 – Spadina-Fort York	Assessment Roll No.:		Approximate Size:		Approximate Area:	8,364.99 m ² ± (90,040 ft ² ±)	Other Information:	
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Approximate Area:	8,364.99 m ² ± (90,040 ft ² ±)												
Other Information:													

A.	Until the first scheduled regular City Council meeting of the 2022-2026 term, City Manager has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$50 Million and the transaction is for housing, shelter, transit purposes, critical capital infrastructure projects, or another time sensitive proposal.
2. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$50 Million and the transaction is for housing, shelter, transit purposes, critical capital infrastructure projects, or another time sensitive proposal.
3. Leases/Licences (City as Landlord/Licensor):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50 Million and the transaction is for housing, shelter, transit purposes, critical capital infrastructure projects, or another time sensitive proposal.
4. Leases/Licences (City as Tenant/Licensee):	<input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50 Million and the transaction is for housing, shelter, transit purposes, critical capital infrastructure projects, or another time sensitive proposal.

B. City Manager has signing authority on behalf of the City for:
<ul style="list-style-type: none"> Documents required to implement matters for which this position also has delegated approval authority.

Pre-Condition to Approval
<input type="checkbox"/> Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property

Consultation with Councillor(s)	
Councillor: Joe Mihevc	Councillor:
Contact Name: Brent Gilliard	Contact Name:
Contacted by: Phone <input checked="" type="checkbox"/> 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 (September 20, 2022)	Comments:

Consultation with Divisions and/or Agencies	
Division: Shelter, Support, and Housing Administration	Division: Financial Planning
Contact Name: Loretta Ramadhin	Contact Name: Filisha Jenkins
Comments: September 19, 2022	Comments: Comments incorporated (September 19, 2022)

Legal Services Division Contact	
Contact Name: Jack Payne (September 20, 2022)	

DAF Tracking No.: 2022-213	Date	Signature
Recommended by: Manager, Real Estate Services	Sept. 20, 2022	Signed by Susan Lin
Recommended by: Director, Real Estate Services	Sept. 22, 2022	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management Patrick Matozzo	Sept. 23, 2022	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services Josie Scioli	Sept. 27, 2022	Signed by Josie Scioli
<input checked="" type="checkbox"/> Approved by: Interim City Manager Tracey Cook	Sept. 28, 2022	Signed by Tracey Cook

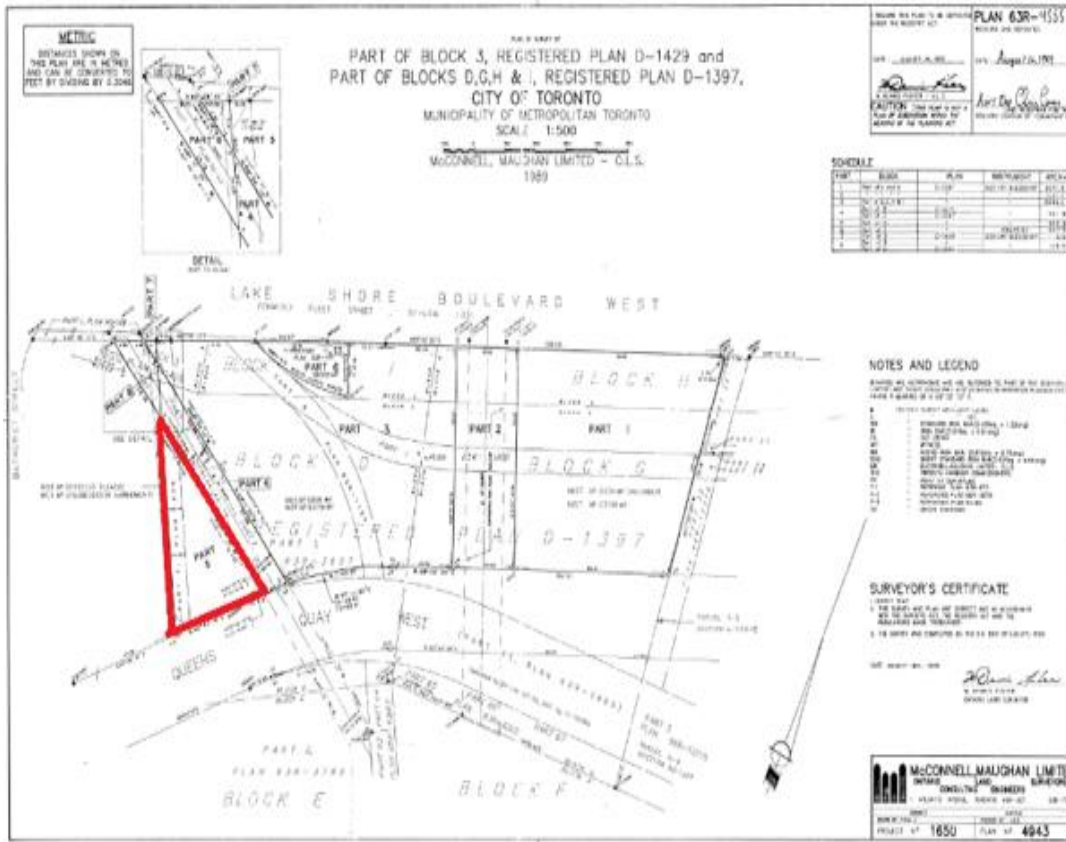
Appendix "A" – Major Terms and Conditions

Terms and Conditions

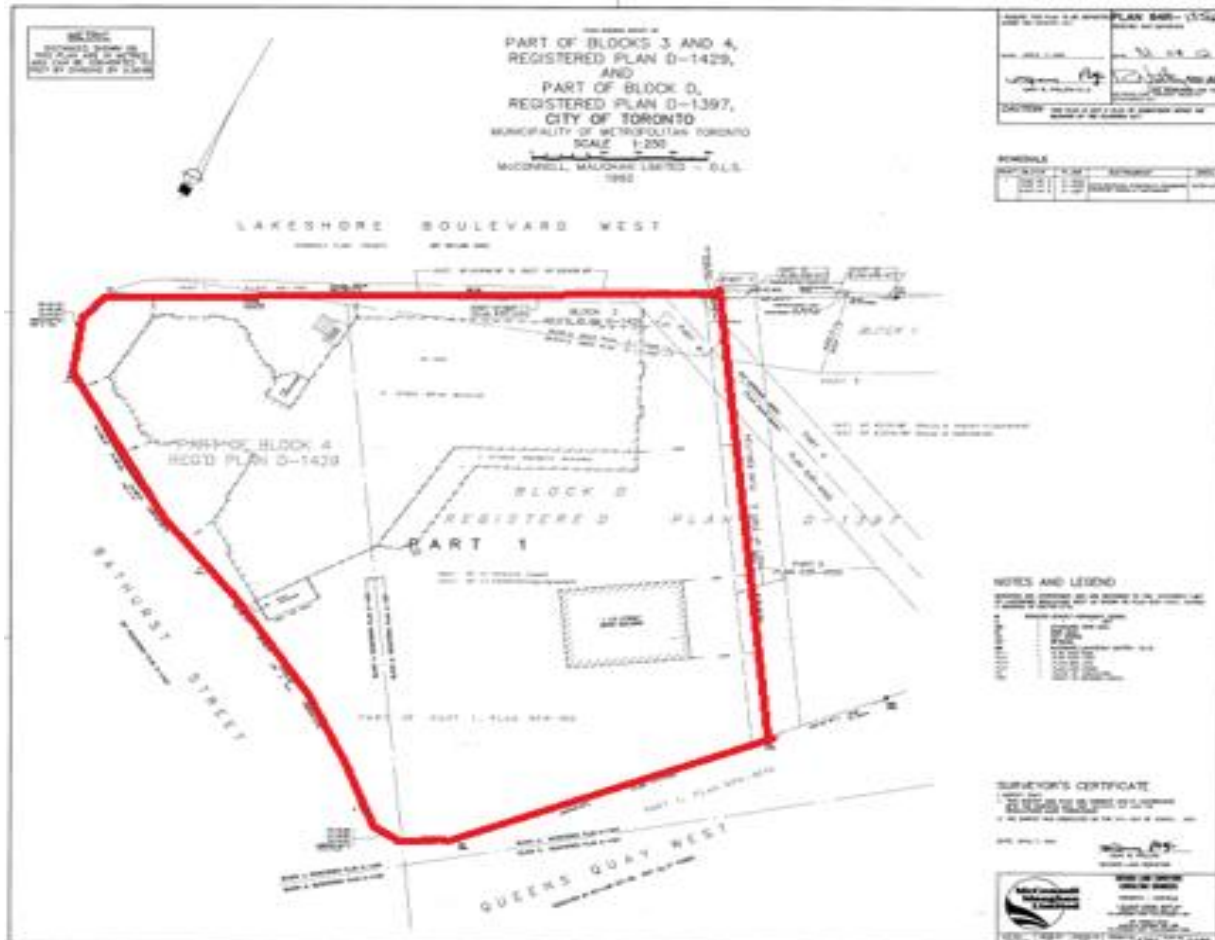
- Landlord:** 545 Lakeshore West Property Inc.
- Premises:** The building and lands comprising the Property at 545 Lake Shore Blvd. W. Toronto
- Net Rent:** \$2,750,000 per annum, payable in equal monthly installments of \$229,166.67 for the first three years of the four year term, being October 1, 2022 to September 30, 2025, and \$2,850,000 per annum, payable in equal monthly installments of \$237,500 for the fourth year, being October 1, 2025 to September 30, 2026
- Additional Costs:**
- 1) Any applicable HST;
 - 2) The City is responsible for all repairs, replacements and maintenance of the Property, including, without limitation, the roof, HVAC, elevator, and Building equipment and systems, at its sole expense, provided that in the event of substantial damage or destruction by fire, lightning, tempest or similar casualty not caused by the City, its employees or agents that in the Landlord's reasonable opinion renders forty percent or more of the Premises unusable, the City has no obligation to repair, replace or rebuild the Property or any part thereof;
 - 3) All utilities;
- Extended Term:** Commencing on October 1, 2022 until September 30, 2026 (the "Fourth Extended Term")
- Early Termination:** The Landlord will have the right to terminate the Lease upon giving at least five (5) months prior written notice (the "Termination Notice") to the Tenant. The Termination Notice shall specify the termination date (the "Termination Date") which shall not be less than five (5) months after the Termination Notice is given, provided that:
- (i) in no event shall the Termination Date be earlier than the commencement of the third (3rd) year of the Fourth Extended Term, being October 1, 2024; and
 - (ii) the Termination Date shall not occur during the following periods: (A) November 1, 2024 to April 30, 2025, inclusive; and (B) November 1, 2025 to April 30, 2026.
- Use:** The Property shall be used and operated by the City and/or any community operator and its authorized members to provide accommodation as a shelter facility for residents, which includes a low barrier respite site and/or a refugee reception centre. The City will be entitled to operate the lands surrounding the building as a parking facility to be operated by the Toronto Parking Authority or a third party provider. The City is also entitled to use all parking spaces at no charge. The City shall remove all waste and provide security services at its own cost. The City shall use best efforts to assist the Landlord in responding to any negative publicity regarding the Lease and/or use of the Property and confirm as required that the Landlord leased the Property at the City's request. In the case of any City default under the Offer to Lease or Lease the Landlord may cure the default at the City's cost plus a 15% administration fee.
- Parking Lot Termination:** The Landlord shall have the right to exclude from the Premises all of the surface parking lot and that portion of the Lands adjacent to the parking lot all upon giving at least five (5) months prior written notice to the Tenant. The parking lot termination date shall not be effective prior to the first day of second (2nd) year of the Fourth Extended Term, being October 1, 2023. From and after the Parking Lot Termination Date the Landlord agrees to reduce the Rent payable for the Fourth Extended Term by Three Hundred and Twenty Five Thousand Dollars (\$325,000.00) per annum, being Twenty Seven Thousand Eighty Three Dollars and Thirty-Three Cents (\$27,083.33) per month.
- Rent Adjustment:** The Landlord has agreed to a one-time rent adjustment in the amount of Thirty Thousand Dollars (\$30,000.00) to be applied towards a portion of the Rent for the first month of the Fourth Extended Term, being October 2022.

All other terms and conditions to remain the same as outlined in the Lease.

Appendix "B" – Survey Plans
Plan 63R-4555



Plan 64R-13502



Appendix "C" – Location Map

