

DELEGATED APPROVAL FORM

CITY MANAGER

TRACKING NO.: 2022-300

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

Prepared By:	Avery Carr	Division:	Corporate Real Estate Management
Date Prepared:	December 12, 2022	Phone No.:	647-458-1934

Purpose	To obtain authority for the City of Toronto (the "City"), as tenant, to enter into a Letter Agreement to amend the existing Lease (the "Amending Agreement") with 2245883 Ontario Inc. (the "Landlord"), to compensate the Landlord for administration fees charged for additional services requested by the City and completed by the Landlord, plus a portion of the Landlord's increased insurance costs.
Property	Entirety of the property, including 109 units located at the property municipally known as 808 Mount Pleasant Road, City of Toronto (the "Property") as shown on the Location Map in Appendix "A".
Actions	1. Authority be granted to enter into the Amending Agreement with the Landlord, substantially on the major terms herein and in the Amending Agreement, 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>The City will pay for a portion of the Landlord's insurance costs and administration fees charged for additional services rendered, up to a maximum amount of \$110,000 (plus HST) or \$111,936 (net of HST recoveries) for a portion of the Landlord's insurance costs and administration fees for services rendered.</p> <p>The total estimated cost to be incurred by the City for each fiscal year is as follows. Note that rents pertaining to 2020 and 2021 were paid in the respective fiscal years: 2020: \$2,436.16 (plus HST) or \$2,479.04 (net of HST recoveries) 2021: \$23,894.59 (plus HST) or \$24,315.13 (net of HST recoveries) 2022: \$18,172.89 (plus HST) or \$18,492.73 (net of HST recoveries) 2023: up to a maximum amount of \$65,496.36 (plus HST) or \$66,649.10 (net of HST recoveries) Total: \$110,000.00 (plus HST) or \$111,936 (net of HST recoveries)</p> <p>Funding is available in the 2022 Council Approved Operating Budget for Shelter, Support and Housing Administration under cost center HS100X. As well, funding of \$317.2 million is included in SSHA's 2023 Operating Budget Submission to sustain the City's COVID-19 response in 2023, to be considered along other City priorities through the 2023 Budget Process. Future year impacts will be included in future operating budget submissions for Council consideration. 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>DAF 2020-130 authorized the lease with the Landlord for a temporary shelter use of the Property for a term of two (2) years ending on May 31, 2022, plus two (2) successive options to extend the term for periods of six (6) additional months each. The total maximum base rent, including the 2 options to extend, was \$6,564,525 (plus HST). DAF 2021-292 authorized additional rent payments of up to \$550,182.20 for the Landlord's increased insurance costs for the period from November 23, 2020 to May 31, 2022. DAF 2022-133 authorized further additional rent payments of up to \$379,036.07 for the Landlord's increased insurance costs for the period from June 1, 2022 to May 31, 2023.</p> <p>The City and the Landlord have reached agreement for the City to compensate the Landlord for administration fees for services requested by the City and completed or expected to be completed by the Landlord during the period of June 2020 to May 2023, including damages to elevators, replacement of damaged furniture and waste removal. The Landlord's insurance costs for the period from November 2022 to May 2023 have also increased slightly, and the City has agreed to pay a portion of these increased costs.</p> <p>With additional rent payment for the administration fees and insurance costs up to a maximum of \$110,000 (plus HST), the total cumulative cost of the Lease to the City will be a maximum of \$7,603,743.27 (plus HST).</p>
Terms	<p>For the period from December 1, 2022 to May 31, 2023, the City agrees to pay a portion of the Landlord's increased insurance costs up to a maximum of \$30,000 (plus HST). For the period from June 2020 to May 31, 2023, the City agrees to pay the Landlord administration fees up to a maximum of \$80,000 (plus HST).</p> <p>Corporate Real Estate Services Management considers the Additional Rent payments to be fair and reasonable.</p>

Property Details	Ward:	12 – Toronto St Paul's
	Assessment Roll No.:	1904104020020000000
	Approximate Size:	
	Approximate Land Area:	2,361 m2 (25,413.57 ft2)
	Other Information:	10-storey building, containing 109 units, known as the Roehampton Hotel

A.	City Manager has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$10 Million.
2A. Expropriations Where City is Expropriating Authority:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 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 \$10 Million.
3. Issuance of RFPs/REOs:	Request/waive hearings of necessity delegated to less senior positions.
4. Permanent Highway Closures:	Delegated to less senior positions.
5. Transfer of Operational Management to Divisions, Agencies and Corporations:	Delegated to less senior positions.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$10 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$10 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	Delegated to less senior positions.
9. Leases/Licences (City as Landlord/Licensor):	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$10 Million. Leases/licences for periods up to 12 months at less than market value delegated to less senior positions. Leases pursuant to the Community Space Tenancy Policy delegated to a less senior position.
10. Leases/Licences (City as Tenant/Licensee):	<input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation does not exceed \$10 Million. Nominal sum easements to pre-existing utilities when closing roads delegated to less senior positions.
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$10 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)).
14. Miscellaneous:	Delegated to less senior positions.

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 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:	Councillor Matlow
Contact Name:	Andrew Athanasiu
Contacted by:	Phone <input type="checkbox"/> X <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	Notified
Consultation with Divisions and/or Agencies	
Division:	Shelter, Support and Housing Administration
Contact Name:	Loretta Ramadhin
Comments:	Comments incorporated
Division:	Financial Planning
Contact Name:	Filisha Jenkins
Comments:	Comments incorporated
Legal Services Division Contact	
Contact Name:	Soo Kim Lee

DAF Tracking No.: 2022-300	Date	Signature
Recommended by: Manager, Real Estate Services	Dec. 16, 2022	Signed by Leila Valenzuela
Recommended by: Director, Real Estate Services	Dec. 20, 2022	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management Patrick Matozzo	Dec. 21, 2022	Signed by Patrick Matozzo
<input type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services Josie Scioli	Dec. 29, 2022	Signed by Josie Scioli
<input type="checkbox"/> Approved by: City Manager Paul Johnson	Dec. 29, 2022	Signed by Paul Johnson

Appendix "A"

Location Map

