

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

TRACKING NO.: 2023-035

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:	February 8, 2023	Phone No.:	416-397-5952

Purpose To obtain authority to enter into a Lease Extension and Amending Agreement between 2624237 Ontario Corp., by its operating company Woodside Investment Management Inc. (the "Landlord"), and the Toronto Public Library Board ("TPL"), as Tenant, at 1571 Sandhurst Circle, Toronto, for a further period of five years (the "Second Extension").

Property The property municipally known as Unit 207C, 1571 Sandhurst Circle, Toronto, legally described as Part Block LL, Plan 66M1487 & Part Block GX, Plan 66M1487, PART 2, 66R31331, Scarborough; City of Toronto, being all of PIN 06031-0041 (LT), (the "Property"), as shown on the Location Map in Appendix "B".

Actions

1. Authority be granted to the City Librarian to enter into the Second Extension with 2624237 Ontario Corp., substantially on the major terms and conditions set out in Appendix "A", and including such other terms and conditions deemed appropriate by the approving authority herein, and in a form acceptable to the City Solicitor;
2. The City Librarian, or her designate, administer and manage the Lease including the provision of any consents, approvals, waivers, notices and notices of termination provided that the City Librarian may, at any time, refer consideration of such matters to Director of Transaction Services, Corporate Real Estate Management for determination and direction;
3. The appropriate Library and City Officials be authorized and directed to take the necessary action to give effect thereto.

Financial Impact The total cost to TPL for the five (5) year term; inclusive of minimum rent, utilities, and additional rent, which consists of TPL's proportionate share of common area maintenance; will be \$1,188,308.00 (plus HST) or \$1,209,222.22 (net of HST recovery). Total estimated costs, net of HST recoveries, by fiscal year are shown in the table below:

2021-2026							
Fiscal Year	2021	2022	2023	2024	2025	2026	Totals
Total Net of HST Recovery	\$ 18,973.15	\$228,521.08	\$237,796.84	\$238,640.09	\$248,759.10	\$ 236,531.96	\$1,209,222.22

Funding is available in the 2022 Council Approved Operating Budget for the Toronto Public Library under cost centre LB1000, and 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.

Comments The Woodside Square Branch has occupied rental space at Woodside Square, located at the main intersection of Finch Avenue East and McCowan Road since May 1989. On June 7, 2006, TPL entered into a lease agreement with Woodside Square Holdings Inc., for approximately 9,944 square feet of rentable space at the Property for a period of ten (10) years commencing on December 1, 2006 and expiring on November 30, 2016 (the "Lease"). The Lease was extended on February 2, 2016 for a period of five (5) years commencing on December 1, 2016 and ending on November 30, 2021. In 2021, the ownership of the Property exchanged hands. Pursuant to a letter dated November 12, 2021, the Landlord consented to TPL's overhold, confirming that, notwithstanding the overholding provision of the Lease, TPL would pay the same amount of base rent as paid during the final year of the Lease. The parties now seek to enter into a lease extension agreement to reinstate the Lease and retroactively extend the term of the Lease for a further period of five (5) years, commencing on December 1, 2021 and ending on November 30, 2026.

The proposed rent and other major terms and conditions of the Second Extension are considered to be reasonable, fair and reflective of market rates. TPL, in collaboration with CREM & CreateTO, will continue efforts to identify a long-term site for the Woodside Square Branch within City's portfolio.

Terms Refer to Appendix A – Major Terms and Conditions on page 4.

Property Details	Ward:	Ward 23 – Scarborough North
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	9,944 sq. ft.
	Other Information:	

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate 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 & Parks & 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 \$3 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p>Request/waive hearings of necessity delegated to less senior positions.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 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 \$3 Million.</p> <p><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.</p> <p>Delegated to a more senior position.</p> <p><input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$3 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 \$3 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>	<p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p>Request/waive hearings of necessity delegated to less senior positions.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 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 \$5 Million.</p> <p><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.</p> <p><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.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$5 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 \$5 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. 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:	Jamaal Myers	Councillor:	
Contact Name:	Adam Reinhardt	Contact Name:	
Contacted by:	<input type="checkbox"/> Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other	Contacted by:	<input type="checkbox"/> Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other
Comments:	No Objections	Comments:	

Consultation with Divisions and/or Agencies

Division:	Toronto Public Library	Division:	Financial Planning
Contact Name:	Harvey Mooradian	Contact Name:	Filisha Jenkins
Comments:	Concurred	Comments:	Concurred

Legal Services Division Contact

Contact Name:	Michelle Xu
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DAF Tracking No.: 2023-035	Date	Signature
Recommended by: Manager, Real Estate Services Jennifer Kowalski	February 9, 2023	Signed by Jennifer Kowalski
Recommended by: Acting Director, Real Estate Services Vnette Prescott-Brown	February 9, 2023	Signed by Vnette Prescott-Brown
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input checked="" type="checkbox"/> Approved by: Patrick Matozzo	February 14, 2023	Signed by Patrick Matozzo
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli		

Appendix A - Major Terms and Conditions

Premises:

Approximately 9,944 square feet of rentable space at 1571 Sandhurst Circle, Toronto.

Landlord:

2624237 Ontario Corp., as represented by Woodside Investment Management Inc.

Term:

Five years commencing on December 1, 2021 and ending on November 30, 2026

Use:

Neighbourhood library operated by Toronto Public Library

Base Rent:

The base rent is \$12.00 per sq. ft. in Year 1, \$13.00 per sq. ft. in Years 2 and 3, \$14.00 per sq. ft. in Year 4, and \$15.00 per sq. ft. in Year 5, plus HST.

Additional Rent:

The estimated rate is \$7.50 per sq. ft. or \$74,580.00 per year, plus HST.

Utilities:

Utilities are estimated at \$3.00 per sq. ft., or \$29,832.00 per year, plus HST.

Total estimated costs, net of HST recoveries, by contract year are shown in the table below:

Contract Year	Year 1	Year 2	Year 3	Year 4	Year 5	Totals
Base Rent (Before HST)	\$119,328.00	\$ 129,272.00	\$ 129,272.00	\$ 139,216.00	\$ 149,160.00	\$ 666,248.00
Additional Rent (Before HST)	\$ 74,580.00	\$ 74,580.00	\$ 74,580.00	\$ 74,580.00	\$ 74,580.00	\$ 372,900.00
Utilities	\$ 29,832.00	\$ 29,832.00	\$ 29,832.00	\$ 29,832.00	\$ 29,832.00	\$ 149,160.00
Subtotal	\$223,740.00	\$ 233,684.00	\$ 233,684.00	\$ 243,628.00	\$ 253,572.00	\$ 1,188,308.00
Total (Subtotal + HST)	\$252,826.20	\$ 264,062.92	\$ 264,062.92	\$ 275,299.64	\$ 286,536.36	\$ 1,342,788.04
Total Net of HST Recovery	\$227,677.82	\$ 237,796.84	\$ 237,796.84	\$ 247,915.85	\$ 258,034.87	\$ 1,209,222.22

Landlord's and TPL's Works:

- i. at the Landlord's expense three (3) exterior double-glazed windows will be installed, based on the preliminary drawing provided by TPL, on the west side of the branch. Final drawings for this scope of work will be prepared by the Landlord's consultant and submitted to the library for review. The Landlord is to make every effort not to disrupt library service for an extended period of time to complete this construction work.
- ii. the new addition to the mall requires permanent removal of all north side windows, at the Landlord's expense. The demising wall of the branch will be patched and repaired. All building and fire code regulations will be maintained. All new wall finishes shall match the current finishes. The new exit door proposed by the Landlord for the staff lunch room leading into the new corridor on the north side of the branch is not required as per TPL and therefore shall not be installed.
- iii. the exterior TPL sign that was removed by the Landlord, near the branch entrance, must be installed in a prominent location but will be determined by the Landlord. Upon full execution of this agreement, TPL must submit its sign, electrical and all other necessary permit applications to the City for permit approval. TPL agrees to provide preliminary drawings and shop drawings for the Landlord's approval of this new sign. The fabrication of the new sign and the installation of the sign will be completed by TPL.
- iv. TPL has recently launched a new signage programme. Once the new signage is planned, as per paragraph iii, the existing signage on the building exterior above the loading dock and the interior mall signage will be updated to match the new standards. TPL will submit drawings to the Landlord for their review and approval. It is agreed that TPL shall not be permitted or construct any signage without applicable permits are obtained.
- v. as part of the addition to the mall, the Landlord has planned changes to the existing loading dock. The new loading dock will be shared by TPL and adjacent tenants. The loading dock will be used by TPL Facilities, IT and Distribution/Delivery Services to support the functionality of the branch.

LOCATION MAP

