

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

TRACKING NO.: 2023-021

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

Prepared By:	Blendian Stefani	Division:	Corporate Real Estate Management
Date Prepared:	January 20, 2023	Phone No.:	(416) 397-7481
Purpose	To obtain authority to enter into a lease extension and amending agreement between Milord Realty Inc., as Landlord, and the Toronto Public Library Board ("TPLB"), as Tenant, for approximately 6,713 square feet of rentable space at 2380 Eglinton Avenue East commencing on April 15, 2023 for a term of five (5) years (the "Lease Extension").		
Property	2380 Eglinton Avenue East, Toronto, ON, M1K 2P3 as shown in Appendix "A".		
Actions	<ol style="list-style-type: none"> 1. Authority be granted for the City Librarian to enter into the Lease Extension, substantially on the terms and conditions outlined herein, and any such other terms and conditions deemed appropriate by the approving authority herein and the City Librarian, 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 Real Estate Services for determination and direction; and 3. The appropriate Library and City Officials be authorized and directed to take the necessary action to give effect thereto. 		
Financial Impact	<p>The total cost to the TPLB for the five (5) year term, inclusive of basic rent and additional rent, will be \$1,225,391.02 (plus HST) or \$1,268,904.36 (net of HST recovery). Additional rent is \$9.52 per square foot, estimated to increase by 3% each year. Total utilities are estimated at \$120,126.71 (plus HST) or \$122,241.92 (net of HST recovery) for the five (5) year term.</p> <p>Lease costs to be paid by the Tenant for each fiscal year is shown in Appendix "B" – Major Terms and Conditions. Funding is included in the 2023 Operating Budget submission for Toronto Public Library (TPL) under cost centre LB1000 for Council consideration, and will be included in future operating budget submissions for consideration through the Budget process.</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 original lease agreement between the TPLB and Milord Realty Inc. for the public library at this location was dated October 1, 1987. It was further amended and extended by agreements dated March 1992, November 21, 1996, April 22, 1997, August 15, 2002, June 5, 2007, April 1, 2008 and October 11, 2017.</p> <p>The branch has been in this location for nearly 35 years and is well-established within the local community. The branch lease charge is based on 6,713 square feet. In addition there is a 6,713 square feet of basement space, for which no rent is payable, currently housing a small staff work area and storage space.</p> <p>As the branch is undersized, the TPLB has negotiated a first right of refusal to lease approximately 1,200 square feet of the premises immediately adjacent on the east side of the branch if such space become available for lease during the term.</p> <p>CREM staff have confirmed that the proposed lease rates are reasonable and represent fair market value. CREM, in collaboration with CreateTO, will continue efforts to identify a long-term site within the City's portfolio.</p>		
Terms	Refer to Appendix "B" – Major Terms and Conditions on page 5.		
Property Details	Ward:	Ward 21 – Scarborough Centre	
	Assessment Roll No.:		
	Approximate Size:	See Appendix "A"	
	Approximate Area:	6,713 sf	
	Other Information:	N/A	

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:	Michael Thompson	Councillor:	
Contact Name:	Amalia Stefanopoulos	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 (November 7, 2022)	Comments:	

Consultation with Divisions and/or Agencies

Division:	Toronto Public Library	Division:	
Contact Name:	Harvey Mooradian	Contact Name:	Filisha Jenkins
Comments:	Concurs	Comments:	Concurs

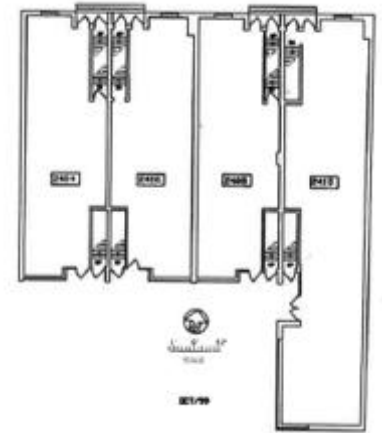
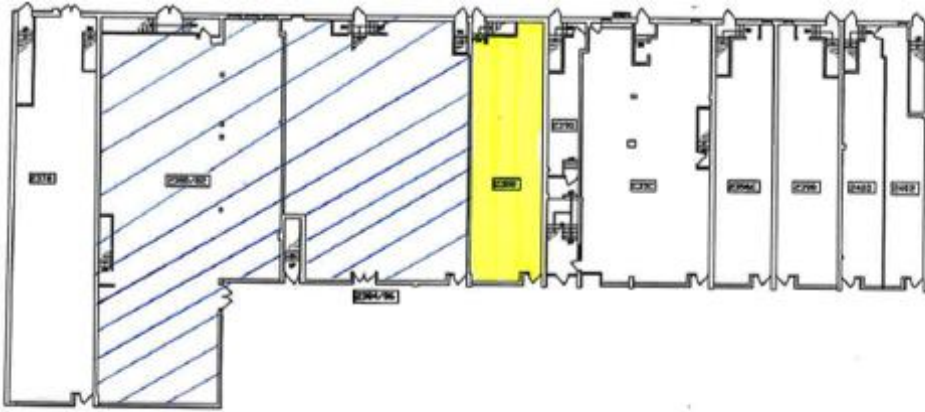
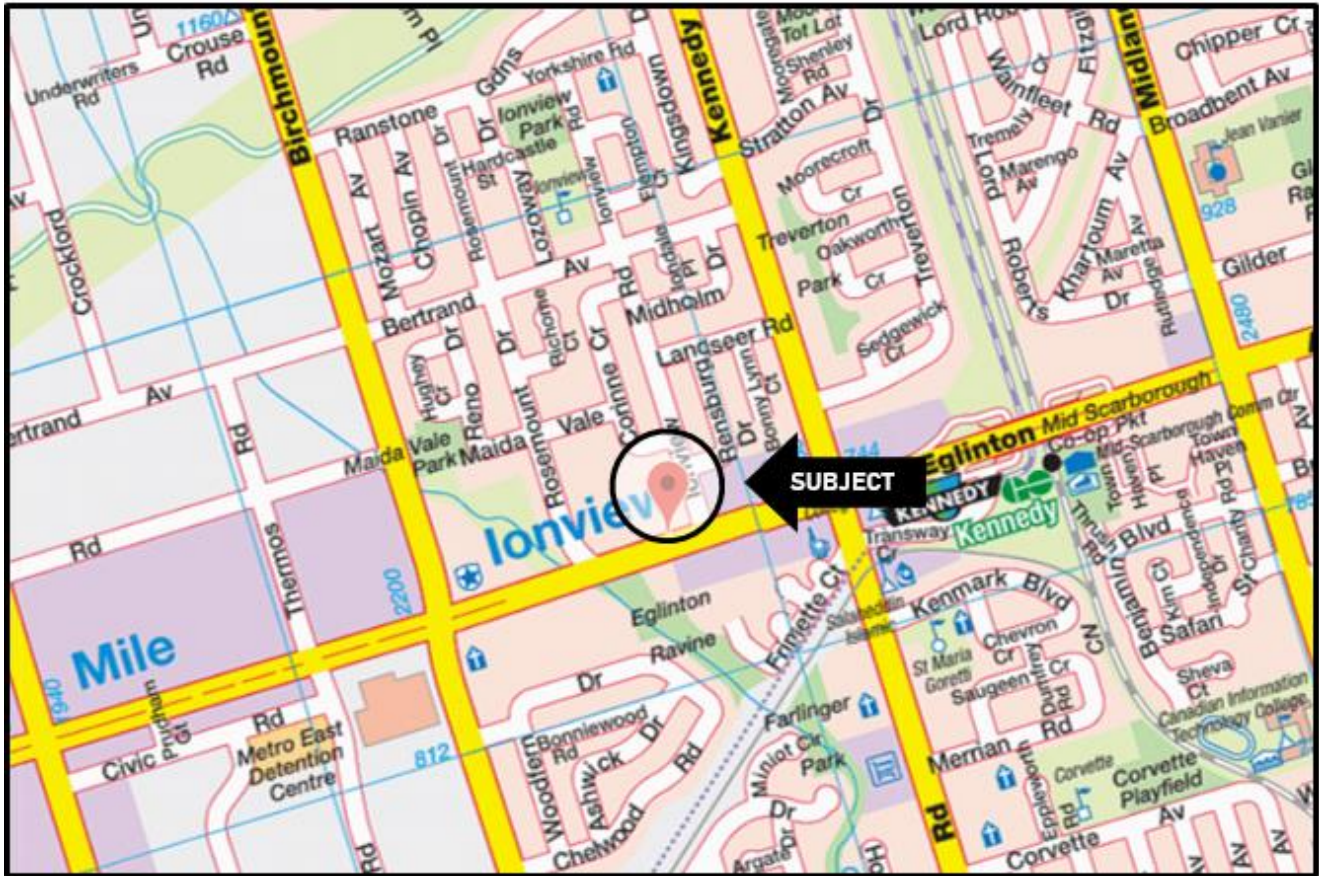
Legal Services Division Contact

Contact Name:	Michele Desimone
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DAF Tracking No.: 2023-021	Date	Signature
Recommended by: Leila Valenzuela, Manager, Real Estate Services	Jan. 20, 2023	Signed by Leila Valenzuela
Recommended by: Alison Folosea, Director, Real Estate Services	Jan. 26, 2023	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	Jan. 27, 2023	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Patrick Matozzo		
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli		X

APPENDIX "A"

LOCATION MAP & THE PREMISES



Leased Area  6,713 sf at grade

Right of First Refusal  1,200 sf at grade

APPENDIX "B"

MAJOR TERMS AND CONDITIONS

Landlord: Milord Realty Inc.

Tenant: Toronto Public Library Board

Premises: Part of the Building known as 2380 Eglinton Avenue East for a total area of 6,713 sf.

Parking Facilities: No parking stalls are allocated to the leased premises.

Term: Five (5) years, commencing April 15, 2023 and expiring April 14, 2028.

Extension Options: No further right, nor option to renew or extend the Term.

Right of First Refusal: The Tenant shall have one (1) ROFR to lease the approximately 1,200 sf premises immediately east of the leased premises, known as 2388 Eglinton Avenue East, upon five (5) days' notice and at net rental rate of \$25 psf, co-terminus with the leased premises.

Use: The Tenant shall use the leased premises solely for the purposes of a public library.

Rent: Throughout the five-year term, rent is primarily comprised of the following items: Basic Rent of \$785,421 and Additional Rent of \$339,295.

Lease Year	Basic Rent
1 Apr 15 2023-Apr 14, 2024	\$ 147,686
2: Apr 15 2024-Apr 14, 2025	\$ 154,399
3: Apr 15 2025-Apr 14, 2026	\$ 154,399
4: Apr 15 2026-Apr 14, 2027	\$ 161,112
5: Apr 15 2027-Apr 14, 2028	\$ 167,825

During each of Lease Years 1 through 5, inclusive, the Tenant's Additional Rent shall increase by 3.0% over the previous Lease Year.

Lease costs to be paid by the Tenant for each fiscal year, net of HST recoveries and with HST are as shown in the table below:

Budget Year (Jan 1 to Dec 31)	Basic Rent	Additional Rent & Property Tax	Total Rent
2023	105,605.61	45,698.43	151,304.03
2024	152,486.25	65,278.71	217,764.97
2025	154,399.00	67,237.07	221,636.07
2026	159,199.25	69,254.19	228,453.44
2027	165,912.25	71,331.81	237,244.07
2028	47,818.63	20,494.77	68,313.40
Subtotal (before utilities)	\$ 785,421.00	\$ 339,294.98	\$ 1,124,715.98
Estimated Utilities			122,241.92
TOTAL			\$ 1,246,957.90
Total Rent (incl. HST)			\$ 1,409,062.43
Total Rent (net of HST recoveries)			\$ 1,268,904.36