

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

TRACKING NO.: 2023-034

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

Prepared By:	Joseph Sergnese	Division:	Corporate Real Estate Management
Date Prepared:	February 3, 2023	Phone No.:	416-392-1857
Purpose	To obtain authority to extend and amend the lease agreement (the "Agreement") between the City and Century Standard Development Corporation (the "Landlord") for five (5) years commencing on January 1, 2023 and expiring on December 31, 2027, for use of approximately 11,501 square feet of retail office space within the premises known municipally as 1118 Finch Avenue West.		
Property	1118 Finch Avenue West, Units 3 to 7, 9 and 11 to 13, Toronto, Ontario comprising an area of approximately 11,501 square feet (the "Premises"), as shown in Schedule "A".		
Actions	1. Authority be granted to enter into the Agreement with the Landlord, substantially on the major terms and conditions set out in Schedule "B" and including such other or amended terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.		
Financial Impact	<p>The total cost to the City, inclusive of basic rent for the five (5) year term of the lease agreement is \$1,760,194 (net of HST recovery)</p> <p>The annual cost to be incurred by the City is detailed as follows:</p> <p>2023: \$340,335 2024: \$346,187 2025: \$352,039 2026: \$357,891 2027: \$363,742</p> <p>Total: \$1,760,194 (net of HST recovery)</p> <p>Funding will be included in the 2023 Operating Budget submission for Children's Services under cost centre EG311A 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>Pursuant to Government Management Committee Report No. GM5.28, adopted by City Council on June 19, 20 and 22, 2007, the City leased approximately 11,501 square feet of office space at 1118 Finch Avenue West for a five (5) year term commencing on November 1, 2007 and expiring on October 31, 2012. Due to construction delays, the commencement date of initial term was delayed and commenced on December 17, 2007, with a revised expiry date of December 31, 2012.</p> <p>By DAF 2012-237, the City was authorized to enter into a lease extension agreement to extend the term for a term of five (5) years commencing January 1, 2013 and expiring on December 31, 2017. By DAF 2017-312, the City was authorized to enter into a lease extension agreement to extend the term for a further term of five (5) years commencing January 1, 2018 and expiring on December 31, 2022.</p> <p>The Premises is occupied by Children's Services division. Children's Services provides access to high quality early learning, childcare and support for families through a well-planned and managed system. The Premises is an optimal location for Children's Service's North Office and Children's Services has requested the lease to be extended for the term of five (5) years commencing on the effective date of the lease amending agreement</p> <p>By 2020.EX18.2 Council confirmed that the City's recommended portfolio direction for this site is to: "Exit Lease and relocate to modernized portfolio," through the ModernTO - Workplace Modernization Program (ModernTO). ModernTO has reviewed this lease renewal and is satisfied that the proposed terms will allow for the timely execution of the ModernTO program schedule.</p> <p>Children's Services have requested the lease to be extended for the term of five (5) years commencing on the effective date of the lease amending agreement.</p> <p>The proposed licence fee and other major terms and conditions of the Agreement are considered to be fair, reasonable and reflective of market rates</p>		
Terms	Please see Schedule "B"		
Property Details	Ward:	Ward 6 - York Centre	
	Assessment Roll No.:		
	Approximate Size:		
	Approximate Area:	13,803 square feet	
	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>

• Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents.

B. Deputy City Manager, Corporate Services and Executive Director, Corporate Real Estate Management each has signing authority on behalf of the City for:
<ul style="list-style-type: none"> • 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:	Councillor James Pasternak	Councillor:	
Contact Name:	Hector Alonso	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 objection	Comments:	

Consultation with Divisions and/or Agencies

Division:	Financial Planning	Division:	CREM – MTO, Children's Services
Contact Name:	Filisha Jenkins	Contact Name:	Robert Paterson, Nino Dodaro
Comments:	concurred	Comments:	concurred

Legal Services Division Contact

Contact Name: **Frank Weng**

DAF Tracking No.: 2023-034	Date	Signature
Recommended by: Manager, Real Estate Services	February 10, 2023	Signed by Jennifer Kowalski
Recommended by: Director, Real Estate Services	February 13, 2023	Signed by Vinette Prescott-Brown
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input checked="" type="checkbox"/> Approved by: Patrick Matozzo	February 13, 2023	Signed by Patrick Matozzo
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services Josie Scioli		X

Schedule "B"

Major Terms and Conditions:

Extension Term: Five (5) years, commencing January 1, 2023 and expiring December 31, 2027.

Basic Rent:

Year 1: January 1, 2023 to and including December 31, 2023 - \$161,014 plus HST

Year 2: January 1, 2024 to and including December 31, 2024 - \$166,746.50 plus HST.

Year 3: January 1, 2025 to and including December 31, 2025 - \$172,515 plus HST.

Year 4: January 1, 2026 to and including December 31, 2026 - \$178,265.50 plus HST.

Year 5: January 1, 2027 to and including December 31, 2027 - \$184,016 plus HST.

Additional Rent: Operating costs for the Premises, inclusive of hydro and janitorial costs (but excluding realty taxes), for the first year of the extended Term are estimated to be or \$173,435.08 per annum plus HST.

Option to Extend: The City will have one (1) further option to extend the term for a further period of five (5) years upon the same terms and conditions of the Agreement, except that Basic Rent shall be based upon the then current market rent for comparable premises in the vicinity of the Premises as at the date which is six (6) months prior to the commencement of the Extension Term.

Early Termination: The City will have the right to terminate upon giving written notice of such termination to the Landlord. The Termination Notice shall specify the termination date which shall be six (6) months after the Termination Notice is given.