

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

TRACKING NO.: 2023-070

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

Prepared By:	Patricia Chen	Division:	Corporate Real Estate Management
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Date Prepared:	March 10, 2023	Phone No.:	416-338-3583
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Purpose
 To obtain authority for the City of Toronto (the "City" or "Tenant"), as tenant, to execute a lease (the "Lease") with Silver Hotels (YYZ) Inc. (the "Landlord"), for the purpose of a temporary shelter isolation centre, to meet the needs of physical distancing, isolate or recovery of shelter clients, and other ancillary services at the Hilton Garden Inn Toronto Airport located at 3311 Caroga Drive in Mississauga. This transaction is for the purpose of paying the Landlord for the period the Property was used for shelter clients, and for a full and final settlement of all past, present, and future claims for this property.

Property
 224 room units at Hilton Garden Inn Toronto Airport located at the property municipally known as 3311 Caroga Drive, City of Mississauga (the "Property") and on the Location Map in Appendix "B".

Actions
 1. Authority be granted to enter into the Lease with the Landlord to lease the Property for a term of fifty-five (55) days commencing on April 21, 2021 and expiring on June 14, 2021, substantially on the major terms and conditions set out in Appendix "A", and including such other terms and conditions as may be deemed appropriate by the Executive Director, Corporate Real Estate Services and in a form acceptable to the City Solicitor.

Financial Impact
 The total cost to the City for the retroactive fifty-five (55) day term of the lease is \$1,477,530.70 (plus HST) or \$1,503,535.24 (net of HST recovery).
 The costs to be incurred by the City in 2023 fiscal year, is as follows:

Expenses incurred	Total cost (plus HST)	Total cost (net of HST recovery)
Gross rent	\$1,355,200.00	\$1,379,051.52
Food expense	\$50,540.00	\$51,429.50
Cleaning charges	\$67,275.00	\$68,459.04
Reimbursable expenses	\$1,395.70	\$1,420.26
Restoration charges	\$3,120.00	\$3,174.91
Total	\$1,477,530.70	\$1,503,535.24

Funding is included in the 2023 Council Approved Operating Budget for Shelter, Support and Housing Administration ("SSHA") under account HS100X.

The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial implications as identified in the Financial Impact section.

Comments
 As a result of the COVID-19 pandemic and the City of Toronto's state of emergency, the City experienced an unprecedented demand for shelter and respite services for its residents.

The Property consists of 224 rooms in a 15-floor hotel building, and was used to provide an isolation space for SSHA clients with COVID-19 or SSHA clients who are at risk of COVID-19 infection, to prevent and minimize the spread of COVID-19 within the community. It was also used for the purposes of a temporary emergency shelter and other shelter needs.

SSHA has approved this proposed Lease and confirmed the terms and conditions are fair, reasonable, and aligned with the service needs required to support the City's response efforts to the COVID-19 pandemic. Real Estate staff consider the terms and conditions of this proposed Lease to be fair and reasonable and reflective of market rates.

Terms
 Refer to Appendix "A" for the Terms and Conditions.

Property Details	Ward:	N/A (Property outside of Toronto)
	Assessment Roll No.:	
	Approximate Size:	30 m x 85 m ± (100 ft x 280 ft ±)
	Approximate Area:	2606 m ² ± (28,051 ft ²)
	Other Information:	

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
2A. Expropriations Where City is Expropriating Authority:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 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 \$3 Million. Request/waive hearings of necessity delegated to less senior positions.	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million. Request/waive hearings of necessity delegated to less senior positions.
3. Issuance of RFPs/REOIs:	<input type="checkbox"/> Issuance of RFPs/REOIs.	<input type="checkbox"/> Issuance of RFPs/REOIs.
4. Permanent Highway Closures:	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.
5. Transfer of Operational Management to Divisions, Agencies and Corporations:	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.
9. Leases/Licences (City as Landlord/Licenser):	<input checked="" type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 Million. <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. Delegated to a more senior position.	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million. <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. <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.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> (a) Where total compensation does not exceed \$3 Million. <input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.	<input type="checkbox"/> (a) Where total compensation does not exceed \$5 Million. <input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 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)).	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).
14. Miscellaneous:	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences <input type="checkbox"/> (b) Releases/Discharges <input type="checkbox"/> (c) Surrenders/Abandonments <input type="checkbox"/> (d) Enforcements/Terminations <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates <input type="checkbox"/> (f) Objections/Waivers/Cautions <input type="checkbox"/> (g) Notices of Lease and Sublease <input type="checkbox"/> (h) Consent to regulatory applications by City, as owner <input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title <input type="checkbox"/> (j) Documentation relating to Land Titles applications <input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences <input type="checkbox"/> (b) Releases/Discharges <input type="checkbox"/> (c) Surrenders/Abandonments <input type="checkbox"/> (d) Enforcements/Terminations <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppel Certificates <input type="checkbox"/> (f) Objections/Waivers/Cautions <input type="checkbox"/> (g) Notices of Lease and Sublease <input type="checkbox"/> (h) Consent to regulatory applications by City, as owner <input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title <input type="checkbox"/> (j) Documentation relating to Land Titles applications <input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds

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:	N/A					Councillor:					
Contact Name:						Contact Name:					
Contacted by:	Phone	E-Mail	Memo	Other		Contacted by:	Phone	E-mail	Memo	Other	
Comments:						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:	Comments incorporated – February 24, 2023	Comments:	Comments incorporated – March 7, 2023

Legal Services Division Contact

Contact Name:	Soo Kim Lee
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DAF Tracking No.: 2023-070	Date	Signature
Recommended by: Manager, Real Estate Services, Jennifer Kowalski	March 16, 2023	Signed by Jennifer Kowalski
Recommended by: Acting Director, Real Estate Services, Vnette Prescott-Brown	March 17, 2023	Signed by Vnette Prescott-Brown
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	March 20, 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		

Appendix "A" Major Terms and Conditions

Landlord: Silver Hotels (YYZ) Inc..

Premises: **224** room units at Hilton Garden Inn Toronto Airport located at the property municipally known as 3311 Caroga Drive, Mississauga, with the non-exclusive right to use the common area and meeting rooms, with access to the parking garage for SSHA staff or any associated service providers.

Rent: \$110.00/room/night, being \$24,640.00 per day or approximately \$739,200.00 + HST per month, payable in monthly installments.

Term: Fifty-five (55) days commencing on April 21st, 2021 and expiring on June 14, 2021.

Extension: No option to extend.

Use: the Property shall be used solely for the purposes of a temporary shelter isolation centre to meet the needs of physical distancing obligations for isolation or recovery of shelter clients of the Tenant, together with related services, programs or other assistance considered appropriate by the Tenant from time to time, which may include safe consumption and a harm reduction program.

Landlord's Responsibilities: The Landlord shall be solely responsible for the operation and maintenance of core operating obligations and building systems within the Property, including the provision of the following:

- electrical power for normal lighting used by the Tenant and domestic hot and cold running water as required for the Permitted Use;
- standard waste management services;
- fire & life safety systems and related maintenance and monitoring, including without limitation, the following:
 - Hotel Fire Safety Plan document must be approved by Toronto Fire Services and reviewed on an annual basis as per section 2.8 of the Ontario Fire Code
 - Fire & Life Safety systems, as noted below, must be inspected, tested and maintained as per Part 6 of the Ontario Fire Code:
 - fire alarm system
 - emergency lighting/generator
 - fire extinguishers
 - standpipe hose system (if applicable)
 - sprinkler system (if applicable)
 - kitchen suppression system (if applicable)
 - Records of all inspection, testing and maintenance shall be maintained as per Article 1.1.2.1.(1) of the Ontario Fire Code
 - All inspection, testing and maintenance records for the fire and life safety systems shall be provided to the Tenant, and Toronto Fire & Life Safety Program Office upon request, who may audit the records against code equipment to ensure the safety of the employees and users of the building.
 - If deficiencies are discovered in the reports, the Landlord/property owner will be notified to conduct repairs and address the deficiencies.
 - The Fire & Life Safety Program Office may share the reports with all authorities having jurisdiction.
 - Fire alarm system to be monitored by a ULC-listed monitoring company.
- elevator maintenance, repair and replacement;
- routine pest control services. Unusual services, such as bed bug recovery would be paid by the City;
- building envelope and capital repairs;
- HVAC system operations and maintenance activities on site;
- Access to cable, phone, internet and Wifi shall be provided without charge for the Tenant's staff and staff of the Tenant's third party service provider;
- Access to Wifi, cable and phone shall be provided without charge for the Tenant clients
- a property manager at the Hotel daily to provide onsite support, check-in/check-out of occupants, manage systems use, and room allocation, advise on room availability, provide minor miscellaneous items, and maintenance
- provide luggage carts to support staff bringing luggage to rooms for guests, if needed
- Coordinate entry to clients' designated guest rooms, but not provide clients with a room key/card.
- Removal of all items from the rooms that are not required for use by the occupants, including coffee makers, alarm clocks and other small goods

City's Responsibilities: The City or its service provider(s), shall be solely responsible for the operation of the Permitted Uses within the Premises. The City shall be responsible for the following:

- The Tenant will provide security for the site. At the Tenant's discretion, the Tenant may provide security from a licensed security provider
- SSHA operational manager as the main point of contact for the Hotel property manager and any onsite SSHA staff, as appropriate.
- The Tenant will provide relevant infection, prevention and control training to the onsite property manager, all relevant hotel staff, caterers, and housekeeping personnel. Where necessary, the Tenant shall also provide training to staff of third-party vendors.
- Periodic audits and spot checks of cleaning services to ensure appropriate infection, prevention and control procedures as recommended by SSHA.
- The Tenant will provide all personal protective equipment for hotel staff, which includes surgical mask, eye protection, gloves and gowns.
- The Tenant will install a set amount of hand hygiene stations with hand sanitizer recommended by SSHA (70-90% alcohol content). Hand hygiene stations shall be installed at the elevator banks on each floor, at the hotel main entry, and at any new points that may be needed throughout the operation of the site.

Additional Services:

- Catering service by Landlord ("Caterer") –3 meals and 2 snacks, for an additional charge of **\$40/day/occupant** (exclusive of HST).
- The Landlord will provide individuals with fresh linens or cleaning supplies for personal use, if requested
- The Landlord will arrange for one elevator to be programmed and used as a service elevator
- The Landlord will provide a monitor for the front desk to enable video surveillance monitoring and two-way radios for communication between security staff and Hotel personnel

To facilitate the delivery of the catering service, if required by the City, the Landlord shall cause the Caterer to enter into a catering service agreement with the City, on the City's standard form, on terms satisfactory to both parties, acting reasonably.

- Room Provisions - the Landlord shall provide the following provisions for the room:
 - Shower curtains that are disposable
 - The Landlord will provide small pads of paper, small sized bars of soap, shampoo, conditioner, lotion, toilet paper, tissues, small pads of paper, pen/pencil for each room.
 - Plastic coverings for TV remotes
 - Linens, such as blankets, pillow cases, and additional linens upon request of guest during their stay.
 - The Landlord will provide a kettle for each room that can be used by guests, in addition to instant coffee, tea, and other provisions, such as milk or sugar for the duration of an individual's stay
- Designation of Certain Rooms - the Landlord will designate the following rooms for use (which is subject to change if requested by the Tenant):
 - Luggage room to be used as a storage room for soiled linens while they await pick-up for cleaning
 - Meeting room for use by SSHA staff while onsite with a separate entrance and exit;
 - A storage facility for all recommended cleaning supplies

Payment of Contracted Services: the City agrees to pay for all costs associated with any external third-party services and physical equipment acquired by the Landlord for the Permitted Use, with costs being the actual amounts paid by the Landlord to their vendors.

End of Term: At the end of the Term, the City shall vacate the Premises and remove any property brought on the Premises by the City within 30 days.

Insurance: The City will provide \$10,000,000.00 for Commercial General Liability and \$1,000,000.00 for Automobile Liability. City will meet reasonable insurance requirements as requested by the Landlord and the Landlord's insurer, subject to reasonable amendments as required by the City's Insurance Risk Management.

Appendix "B" Location Map

