

DELEGATED APPROVAL FORM
DIRECTOR, REAL ESTATE SERVICES
MANAGER, REAL ESTATE SERVICES

TRACKING NO.: 2023-112

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

Prepared By:	Eric Allen	Division:	Corporate Real Estate Management
Date Prepared:	April 14, 2023	Phone No.:	416-392-1852

Purpose To obtain authority for the City to enter into a binding letter of intent and other amended terms and conditions set out in a subsequent lease agreement with FCHT Holdings (Ontario) Corporation (the "Landlord") with respect to the property municipally known as 895 Lawrence Avenue East, Unit No. AO2005A, Toronto (the "Leased Premises") for the purpose of maintaining a constituency office for Ward 16, Councillor Jon Burnside (collectively, the "Lease Agreement").

Property The Leased Premises are Unit No. AO2005A, 895 Lawrence Avenue East, Toronto, being part of PIN 10136-0240 (LT) (the "Property"), as shown on the Location Map in Appendix "B". The Leased Premises consist of approximately 652 rentable square feet of space. The floor plan (refer to cross-hatched unit) which illustrates the Leased Premises is attached hereto as Appendix "C".

Actions 1. Authority be granted to enter into the Lease Agreement with the Landlord, substantially on the major terms and conditions set out in Appendix "A", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.

Financial Impact The total estimated cost to the City over the three (3) year and six (6) month term of the Lease Agreement, as outlined in Appendix A, is approximately \$84,502.46 (plus HST) or \$85,989.70 (net of HST recovery), of which \$37,082.50 (plus HST) or \$37,735.15 (net of HST recovery) is payable as minimum rent, and \$47,419.96 (plus HST) or \$48,254.55 (net of HST recovery) as the estimated additional rent.

Funding is available in the 2023 Council Approved Operating Budget for City Council (under cost centre CNY016) and will be included in future operating budget submissions for Council consideration.

The cost of gross rent to be incurred by the City for each fiscal year is as follows (net of HST recovery):

Calendar Year	Minimum Rent	Estimated Additional Rent	Total Estimated
2023	\$5,141.93	\$6,893.51	\$12,035.44
2024	\$10,532.67	\$13,787.01	\$24,319.68
2025	\$10,864.41	\$13,787.01	\$24,651.42
2026	\$11,196.14	\$13,787.01	\$24,983.16
Total	\$37,735.15	\$48,254.55	\$85,989.70

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

At its meeting on July 11, 12 and 13, 2012, City Council adopted and amended report EX21.9 "Policy Changes to Councillor Office Operations". In doing so, City Council directed that the provision of a constituency office within a civic centre (including City Hall) or within the Councillor's respective ward be funded from the General Council Account and further that staff develop appropriate parameters for these spaces.

At its meeting on October 30, 31, and November 1, 2012, City Council adopted Recommendation 1 of report CC27.5 "Parameters for Councillor Constituency Offices" and approved the proposed parameters.

At its meeting on March 7, 2019, City Council amended and adopted EX2.5 "2019 Capital and Operating Budgets" amending the Parameters for Councillor Constituency Offices Policy to set the annual constituency office rent budget per Councillor for 2019. The parameters include an annual inflationary adjustment for the lease entitlement.

The proposed Lease Agreement enables Councillor Jon Burnside to establish a constituency office within his Ward (Ward 16 – Don Valley East).

Terms The proposed rent and other major terms and conditions of the Lease Agreement are considered to be fair, reasonable and reflective of market rates.

See Appendix "A"

Property Details	Ward:	Ward 16 – Don Valley East
	Assessment Roll No.:	Not Applicable
	Approximate Size:	Not Applicable
	Approximate Area:	60.57 m ² ± (652 ft ² ±)
	Other Information:	Not Applicable

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate 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/REOIs:</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/Licensors):</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 \$50,000.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding three (3) months, including licences for environmental assessments and/or testing, etc.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p>	<p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p><input type="checkbox"/> Issuance of RFPs/REOIs.</p> <p><input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 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 \$1 Million.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding six (6) months, including licences for environmental assessments and/or testing, etc.</p> <p>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$1 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 \$1 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. Director, Real Estate Services and Manager, Real Estate Services each has signing authority on behalf of the City for:

- Documents required to implement matters for which each position also has delegated approval authority.
- Expropriation Applications and Notices following Council approval of expropriation (Managers whose position includes responsibility for implementing Council-approved expropriations are the only Managers with such signing authority).

Director, Real Estate Services also has signing authority on behalf of the City for:

- Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.
- 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 Jon Burnside	Councillor:	
Contact Name:	Jim Murphy	Contact Name:	
Contacted by:	Phone <input type="checkbox"/> X <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>	Contacted by:	Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other <input type="checkbox"/>
Comments:	No objections	Comments:	

Consultation with Divisions and/or Agencies

Division:	City Clerk's Office	Division:	Financial Planning
Contact Name:	Lesley Ruscica	Contact Name:	Filisha Jenkins
Comments:		Comments:	Comments have been incorporated

Legal Services Division Contact

Contact Name:	Chris Cieslik
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DAF Tracking No.: 2023- 112	Date	Signature
<input type="checkbox"/> Recommended by: Manager, Real Estate Services Ronald Ro	April 14, 2023	Signed by Ronald Ro
<input type="checkbox"/> Approved by:		
<input type="checkbox"/> Approved by: Acting Director, Real Estate Services Vinette Prescott-Brown	April 14, 2023	Signed by Vinette Prescott-Brown

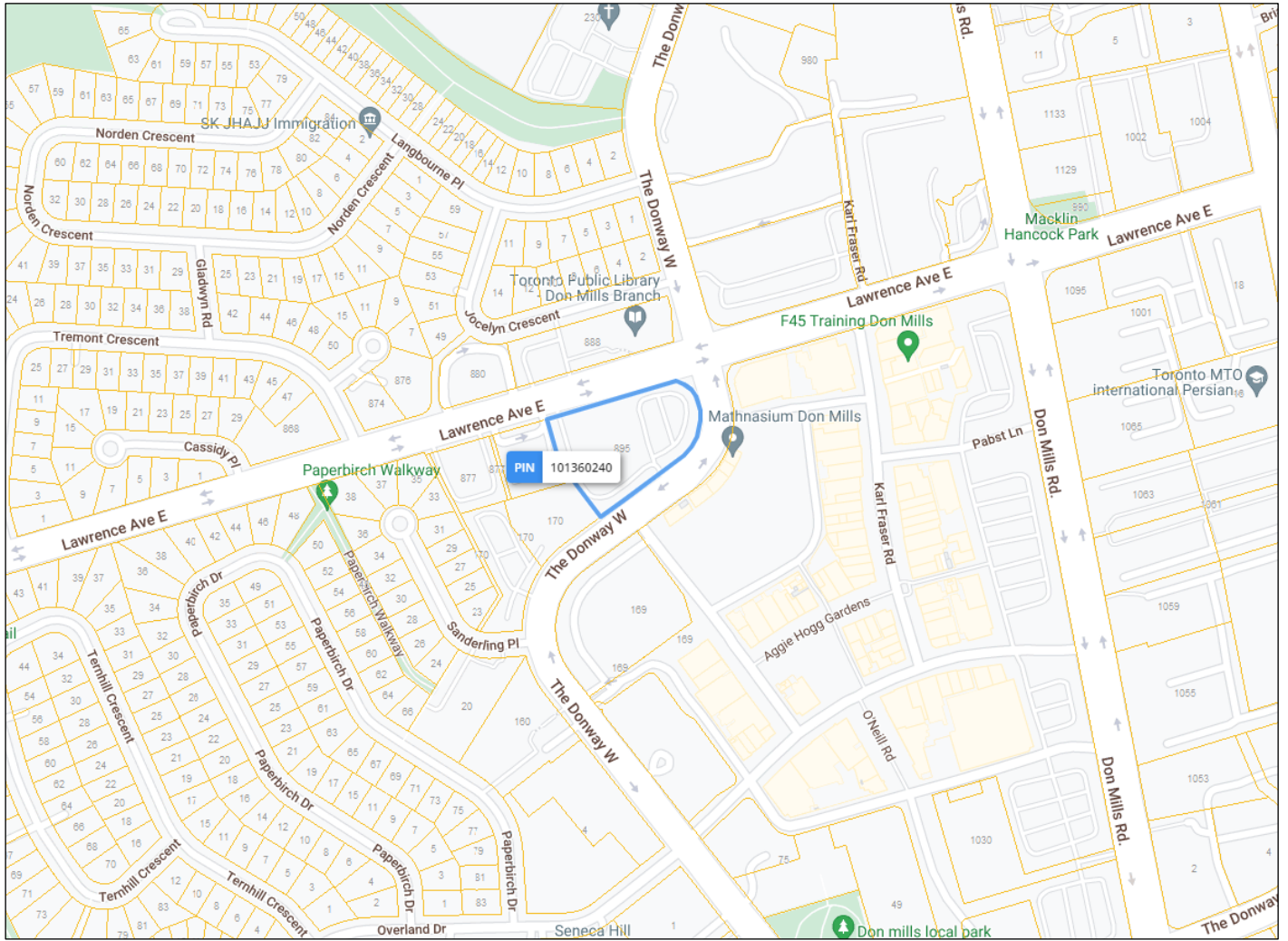
Appendix "A" – Major Terms and Conditions

Landlord:	FCHT HOLDINGS (ONTARIO) CORPORATION
Tenant:	City of Toronto
Leased Premises:	Unit No. AO2005A, 895 Lawrence Avenue East, Toronto
Use:	A constituency office for Ward 16, Councillor Jon Burnside
Approximate Space:	652 rentable square feet
Lease Commencement:	July 1, 2023
Lease Expiry:	December 31, 2026 (42 month term)
Minimum Rent:	Months 1-12: \$15.50 per square foot of the GLA of the Leased Premises per annum; Months 13-24: \$16.00 per square foot of the GLA of the Leased Premises per annum; Months 25-36: \$16.50 per square foot of the GLA of the Leased Premises per annum; and Months 37-42: \$17.00 per square foot of the GLA of the Leased Premises per annum. (exclusive of HST)
Estimated Additional Rent:	\$13.29 per square foot of the GLA of the Leased Premises per annum – Operating Costs; and \$7.49 per square foot of the GLA of the Leased Premises per annum – Taxes. (exclusive of HST)
Early Termination:	This Lease shall terminate, if for any reason, Councillor Jon Burnside's term as a Member of City of Toronto Council should end or at any time during the Term or any extension upon three (3) months written notice from the Tenant to the Landlord.
Redevelopment Rights:	Landlord shall be entitled to serve notice of its election to terminate the Lease pursuant to redevelopment of the property, with 8 months' notice, such that the effective date of such termination shall be no earlier than the day following the expiry of the initial Term.
Relocation Rights:	Landlord reserves the right upon 180 days' prior written notice to relocate the Leased Premises within the Building or to any other property within the geographical boundaries known municipally in Toronto as Ward 16, to premises of approximately the same GLA as the Leased Premises.
Fixturing Period / Early Occupancy:	Approximately 79 days (from April 12, 2023), rent-free.
Tenant Signage:	Landlord will provide (1) Tenant signage on the building sign box located by the 2 nd floor entrance facing the Donway West, (2) Tenant Signage outside of Suite, and (3) Install Tenant signage on the two (2) available pylon panels located on the West Pylon Sign. Costs Signage and the installation of Signage to be included as part of Operating Costs.

Municipal Capital Facilities Agreement

The Landlord acknowledges that the Tenant has the right, in its discretion, to request the Council of the City of Toronto ("City Council") to exempt the Leased Premises from taxation for municipal and school purposes under section 252 of the City of Toronto Act, 2006 and O. Reg. 598/06, both as amended, if the Tenant considers that the Leased Premises will be or are being used as a municipal capital facility. In the event that City Council passes a by-law for such an exemption, the Landlord and the Tenant shall be bound by the terms and conditions of the Municipal Capital Facility Agreement (within Schedule "B" of the Lease Agreement) as of the date of the by-law coming into force or the date when the term of the Lease commences, whichever is later. The Tenant shall notify the Landlord of the passage of the by-law. The Landlord agrees to pass the full benefit of such exemption on to the Tenant during the entire period of any such exemption, with the Tenant at its option taking such benefit as: (i) a rent credit or rent adjustment, or (ii) such other manner as the Tenant acting reasonably and in the interests of transparency shall require.

Appendix "B" – Location Map



Appendix "C" – Floor Plan

