

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

TRACKING NO.: 2023-057

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

Prepared By:	Owen Bartley	Division:	Corporate Real Estate Management
Date Prepared:	March 7, 2023	Phone No.:	(416) 338-1297

Purpose	To obtain authority to enter into a lease extension agreement (the "Agreement") with 30 Adelaide Street East Inc. (the "Landlord") with respect to Suite 700 in the property municipally known as 30 Adelaide Street East, Toronto (the "Property"), for the purpose of operating administrative offices for Court Services.
Property	Suite 700 located in the property municipally known as 30 Adelaide Street East, Toronto, which comprises approximately 25,901 square feet of space (the "Leased Premises"). Location Map and Floor Plan are shown in Appendix "B".
Actions	1. Authority be granted to enter into the Agreement with the Landlord, substantially on the major terms and conditions set out in Appendix "A", and on such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.
Financial Impact	<p>The total estimated cost to the City over the six (6) month term of the extension agreement is approximately \$835,794.88 (plus HST) or \$850,504.87 (net of HST recovery).</p> <p>The costs incurred by the City for each fiscal year are as follows:</p> <p>2023: \$281,794.34 (net of HST recovery)</p> <p>2024: \$568,710.53 (net of HST recovery)</p> <p>Total: \$850,504.87 (net of HST recovery)</p> <p>Funding is available in the 2023 Council Approved Operating Budget for Court Services under cost centre CT2001, functional area code 1430000000, and will be included in future Operating Budget submissions for Council consideration.</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>Court Services has occupied the Leased Premises by a sublease since 2019. New space is being constructed for Court Services at the North St. Lawrence Market building, but has encountered significant delays related to Covid-19. The sublease was extended until October 31, 2022, authorized by DAF 2022-049 dated September 10, 2022.</p> <p>A new lease authorized by DAF 2022-207 dated October 31, 2022, was entered into with the head landlord for a term from November 1, 2022 until October 31, 2023.</p> <p>Substantial completion of the new building is now estimated to occur in September 2023, but it will still require significant tenant improvement work before Court Services can be ready to begin the move process.</p> <p>Costs related to the sublease extension and new lease are being included for recovery in a claim against the constructor of the North St. Lawrence Market building. This claim is estimated to be made in 2023 with applicable amounts recovered by 2024.</p> <p>The proposed costs for the rent and other major terms and conditions of the Agreement are considered to be fair, reasonable and reflective of market rates.</p>
Terms	See Appendix "A".

Property Details	Ward:	13 – Toronto Centre
	Assessment Roll No.:	1904 064 450 00700
	Approximate Size:	
	Approximate Area:	2,406.28 m ² ± (25,901 ft ² ±)
	Other Information:	

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:	Chris Moise	Councillor:	
Contact Name:	Edward LaRusic	Contact Name:	
Contacted by:	Phone <input type="checkbox"/> x 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 concerns	Comments:	

Consultation with Divisions and/or Agencies

Division:	Court Services	Division:	Financial Planning
Contact Name:	Susan Garossino	Contact Name:	Filisha Jenkins
Comments:	No concerns	Comments:	Revisions incorporated

Legal Services Division Contact

Contact Name:	Soo Kim Lee
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DAF Tracking No.: 2023-057	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Acting Manager, Real Estate Services Leila Valenzuela	March 8, 2023	Signed by Leila Valenzuela
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Acting Director, Real Estate Services Vinette Prescott-Brown	March 15, 2023	Signed by Vinette Prescott-Brown

Appendix "A" – Major Terms and Conditions

Landlord:	30 Adelaide Street East Inc., by its agent and manager, Dream Office Management Corp.
Tenant:	City of Toronto
Address:	30 Adelaide Street East, Toronto
Leased Premises:	Suite 700, approximately 25,901 sq. ft. of rentable area
Term:	Six (6) months
Options to Extend:	None
Commencement Date:	November 1, 2023
Expiry Date:	April 30, 2024
Use:	The Leased Premises may be used for only for general office and ancillary uses, or any other lawful use.
Basic Rent:	\$35.00 per square foot of rentable area.
Additional Rent:	To be paid in accordance with the Lease, and based on the 2023 estimate.
As is Condition:	The Tenant accepts the Leased Premises in an "as is" condition.
Landlord's Condition:	The Offer to Extend shall be conditional until ten (10) business days after the acceptance of the Offer to Extend and waiver of any Tenant conditions (if applicable) upon the Landlord, in its sole and absolute discretion: (a) approving all of the business and financial terms of the Offer and; (ii) obtaining Senior Management approval acting in their sole discretion.

Appendix "B" – Location Map and Floor Plan

