

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

TRACKING NO.: 2023-125

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

Prepared By:	Winnie Lam	Division:	Corporate Real Estate Management
Date Prepared:	April 25, 2023	Phone No.:	437-991-8040

Purpose	To obtain authority for the City of Toronto (the "City") as the tenant (the "Tenant") to enter into a lease agreement (the "Agreement") with TopAsset Management Inc. (the "Landlord") with respect to the property municipally known as 641 The Queensway, Toronto (the "Property") for use as a constituency office for Ward 3, Councillor Amber Morley.
Property	The Property is legally described as PCL 111-8, SEC M101 ; PT LT 111, PL M101 , PART 1 , 66R15842 ; Etobicoke , City of Toronto, being all of PIN 07620-0133 (LT). The leased premises are referred to as Unit B and consist of the ground floor and basement of the Property. The Leased Premises are approximately 1,592 square feet of rentable space. The floor plan of the Leased Premises is attached hereto as 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 including such other or amended terms and conditions 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 over the three (3) years and seven (7) months is \$136,015.64 (plus HST) or \$138,409.52 (net of HST recovery). This amount includes base rent and additional rents, estimated at \$11.30/ sq. ft. for the 2023/2024 calendar year.</p> <p>The total cost to be incurred by the City for each fiscal year is as follows:</p> <p>2023: \$ 24,548.47 2024: \$ 37,713.98 2025: \$ 39,077.69 2026: \$ 37,069.38 Total: \$ 138,409.52 (net of HST recovery)</p> <p>At the end of the Term, the City has an option to extend, should Councillor Amber Morley be re-elected for another four (4) years (the "Extended Term"). The annual minimum rent rate will be based upon the then prevailing fair market net rental rate for similar premises, which will not be less than the rate paid for the last year of the current term.</p> <p>Funding is available in the 2023 Council Approved Operating Budget for City Council under cost centre CNY003 / functional area 6610000000 and will be included in future year operating budget submissions for Council consideration.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>
Comments	<p>At its meeting on July 11, 12 and 13, 2012, City Council adopted and amended report EX21.9 "Policy Changes to Councillor Officer Operations" and in doing so, Council directed that the provision of a constituency office, within a civic centre (including City Hall) or within the Councillors' respective ward, be funded from the General Council Account, and further, that staff develop appropriate parameter for these spaces. At its meeting on October 30, 31, and November 1, 2012, the Council adopted Item CC27.5, titled "Parameters for Councillor Constituency Offices." In so doing, the Council approved the parameters for Councillor constituency offices. At its meeting on March 7, 2019, Council adopted Item EX2.5, titled "2019 Capital and Operating Budgets," to set the annual constituency office rent budget and to include an annual inflationary adjustment for the lease entitlement.</p> <p>This lease will allow Councillor Morley to have a constituency office in her ward. The proposed 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:	Ward 3- Etobicoke-Lakeshore
	Assessment Roll No.:	
	Approximate Size:	6.71 m x 25.24 m ± (22.03 ft x 82.82 ft ±)
	Approximate Area:	74 m ² ± (796 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:	Amber Morley	Councillor:	
Contact Name:	Matt Cook	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 issues.	Comments:	

Consultation with Divisions and/or Agencies

Division:	City Clerk's Office	Division:	Financial Planning
Contact Name:	Lesley Ruscica	Contact Name:	Ciro Tarantino
Comments:	No issues.	Comments:	No issues.

Legal Services Division Contact

Contact Name:	Chris Cieslik
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DAF Tracking No.: 2023-125	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Ronald Ro	April 28, 2023	Signed by Ronald Ro
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Acting Director, Real Estate Services Vinette Prescott-Brown	April 28, 2023	Signed by Vinette Prescott-Brown

Appendix "A"
Major Terms and Conditions

Landlord: TopAsset Management Inc.

Tenant: City of Toronto

Leased Premises: 641B The Queensway, Toronto

Leased Area: Approximately 1,592 square feet, which includes 796 sq. ft. of finished basement space

Term: May 1, 2023 ending on November 30, 2026 (3 years and 7 months)

Use: To be used as a Constituency Office for Councillor Amber Morley.

Renewal Option: 4 years, if Councillor is re-elected

Early Termination: This Agreement, if for any reason, Councillor Amber Morley's term as a Member of City of Toronto Council should end or at any time during the Term or any extension, upon sixty (60) days written notice from the Tenant to the Landlord.

Landlord's Work:

- Landlord to repair stairs leading to basement- to be fixed to ensure safety and stability of the structure.
- Landlord to take on work for partial wall removal in the back office to open up the small office in the back. (see image attached)
- To be completed by May 15, 2023

Tenant's Work:

- Adding lighting on the ground floor area
- Removal of bulkhead storage on ground level, relocating fire exit sign
- Painting of ground and basement floors/walls
- Minor improvements (Vanity, patch work of conduit penetrations)

Realty Taxes: Until the commencement of the Municipal Capital Facilities Agreement to assumption the portion of Property tax, the Landlord shall assume responsibility for payment of the portion of property tax pertaining to T.M.I., However, such obligation shall only extend for a maximum duration of six (6) months. (\$634.08/ month)

Water/ Sewer: City responsible for 50% of Water, does not pay anything for the Solid Waste Services.

Hydro/ Gas: Utility is separately metered and will be transferred to City of Toronto.

Other:

- One designated parking spot at the back of the unit.

Insurance: The City shall, at its expense, arrange for general liability and property damage insurance in the amount of not less than Two Million (\$2,000,000.00) per occurrence and shall provide evidence of such insurance to the Landlord.

Base Rent Schedule:

	Unit SF	Base Rent	Annual Total (Base Rent)	Annual Total (after HST recovery)
Year 1 (May 1, 2023- Oct 31, 2023)	1592	\$ 2,900.00		
Year 1 (Nov 1, 2023- April 31, 2024)*	1592	\$ 2,900.00	\$ 34,800.00	\$ 35,412.48
Year 2 (May 1, 2024- April 31, 2025)*	1592	\$ 2,987.00	\$ 35,844.00	\$ 36,474.85
Year 3 (May 1, 2025- April 31, 2026)*	1592	\$ 3,076.61	\$ 36,919.32	\$ 37,569.10
Year 4 (May 1, 2026- Nov 30, 2026)*	1592	\$ 3,168.91	\$ 22,182.36	\$ 22,572.77
			\$ 129,745.68	\$ 132,029.20

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 (the "MCF Agreement") (within Schedule "E" 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"
(Sketch of the Leased Premises)

