

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

TRACKING NO.: 2023-250

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

Prepared By:	Wendy Pearson	Division:	Corporate Real Estate Management
Date Prepared:	September 8, 2023	Phone No.:	647-629-6739

<b>Purpose</b>	To obtain authority for the City of Toronto (the "Tenant"), as tenant, to enter into a lease (the "Lease") with The Incorporated Synod of the Diocese of Toronto (the "Landlord"), for the purposes of operating shelter and ancillary services during the winter and other City services as may be required during the remainder of the year at the property.																																
<b>Property</b>	The lands and building, known as 885 Scarborough Golf Club Road, Scarborough, ON, is as shown on the Location Map in Appendix "B".																																
<b>Actions</b>	<ol style="list-style-type: none"> <li>Authority be granted to enter into the Lease, substantially on the terms and conditions outlined herein, and on such other amended terms as may be satisfactory to the Executive Director, Corporate Real Estate Management or his designate, and in a form acceptable to the City solicitor.</li> <li>The Executive Director, Corporate Real Estate Management or his designate shall administer and manage the Lease, including the provision of any consents, approvals, waivers, notices, and notices of termination provided that the Executive Director, Corporate Real Estate Management may, at any time, refer consideration of such matter to City Council for its determination and direction.</li> </ol>																																
<b>Financial Impact</b>	<p>The total cost to the City over the 5 Year term is \$1,189,721.45.</p> <table border="1"> <thead> <tr> <th>Calendar Year</th> <th>Basic rent (\$9.50 PSF)</th> <th>Operating Expenses Estimate (\$10 PSF)</th> <th>Total cost to the City</th> </tr> </thead> <tbody> <tr> <td>2023</td> <td>\$19,000.00</td> <td>\$30,000.00</td> <td>\$49,000.00</td> </tr> <tr> <td>2024</td> <td>\$114,712.50</td> <td>\$120,000.00</td> <td>\$234,712.50</td> </tr> <tr> <td>2025</td> <td>\$117,580.31</td> <td>\$120,000.00</td> <td>\$237,580.31</td> </tr> <tr> <td>2026</td> <td>\$120,519.82</td> <td>\$120,000.00</td> <td>\$240,519.82</td> </tr> <tr> <td>2027</td> <td>\$123,532.82</td> <td>\$120,000.00</td> <td>\$243,532.82</td> </tr> <tr> <td>2028</td> <td>\$94,376.00</td> <td>\$90,000.00</td> <td>\$184,376.00</td> </tr> <tr> <td><b>Total</b></td> <td><b>\$589,721.45</b></td> <td><b>\$600,000.00</b></td> <td><b>\$1,189,721.45</b></td> </tr> </tbody> </table> <p>Funding is available in the 2023 Council Approved Operating Budget for Shelter, Support and Housing Administration ("SSHA") under FH5350. Funding for future year expenditures will be referred to the City's annual budget process and will be included in future Operating budget submissions as required. Harmonized Sales Tax is not applicable due to the Property's status as a church.</p> <p>The Interim Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information as identified in the Financial Impact section.</p>	Calendar Year	Basic rent (\$9.50 PSF)	Operating Expenses Estimate (\$10 PSF)	Total cost to the City	2023	\$19,000.00	\$30,000.00	\$49,000.00	2024	\$114,712.50	\$120,000.00	\$234,712.50	2025	\$117,580.31	\$120,000.00	\$237,580.31	2026	\$120,519.82	\$120,000.00	\$240,519.82	2027	\$123,532.82	\$120,000.00	\$243,532.82	2028	\$94,376.00	\$90,000.00	\$184,376.00	<b>Total</b>	<b>\$589,721.45</b>	<b>\$600,000.00</b>	<b>\$1,189,721.45</b>
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<b>Comments</b>	<p>The City of Toronto will operate the site as a Warming Centre between the period November 15 to the following April 15 of every year. The Warming Centres are activated to give those who are vulnerable and may be experiencing homelessness a safe, warm indoor place to rest and access food, and referrals to emergency shelter. The Lease allows SSHA to occupy the entirety of the Property for use as a Municipal Shelter. The property may be operated by City staff or by a third party operator. During the remaining months of the year, the City may choose to operate the Property for another municipal use.</p> <p>The lease rates and other costs (including Fire &amp; life Safety related maintenance costs) are fair, reasonable and reflective of market rates.</p>																																
<b>Terms</b>	See Appendix "A" – Major Terms and Conditions.																																

<b>Property Details</b>	<b>Ward:</b>	24 – Scarborough-Guildwood
	<b>Assessment Roll No.:</b>	
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	12,000 sq. ft.
	<b>Other Information:</b>	

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. <b>Request/waive hearings of necessity delegated to less senior positions.</b>	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million. <b>Request/waive hearings of necessity delegated to less senior positions.</b>
3. Issuance of RFPs/REOs:	<input type="checkbox"/> Issuance of RFPs/REOs.	<input type="checkbox"/> Issuance of RFPs/REOs.
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/Licensor):	<input 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. <b>Delegated to a more senior position.</b>	<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 checked="" 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:	Paul Ainslie				Councillor:				
Contact Name:	Antonette DiNovo				Contact Name:				
Contacted by:	Phone	<input checked="" type="checkbox"/>	E-Mail		Memo		Other		
Comments:	Briefed				Comments:				

**Consultation with Divisions and/or Agencies**

Division:	Shelter, Support, and Housing Administration				Division:				
Contact Name:	Loretta Ramadhin				Contact Name:				
Comments:	Concurred				Comments:				

**Legal Services Division Contact**

Contact Name:	Bronwyn Atkinson			
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DAF Tracking No.: 2023-250	Date	Signature
Recommended by: Manager, Real Estate Services Jennifer Kowalski	Sept 28, 2023	Signed By: Jennifer Kowalski
Recommended by: Director, Real Estate Services Alison Folosea	Sept 28, 2023	Signed By: Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	Sept 29, 2023	Signed By: Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Patrick Matozzo		

## APPENDIX "A"

## Major Terms and Conditions

Landlord:	The Incorporated Synod of the Diocese of Toronto
Premises:	The entirety of the property located at 885 Scarborough Golf Club Road, Scarborough, ON comprising of 12,000 sq. ft., which is a church building, inclusive of the parking lot.
Term:	Five (5) Years – October 1, 2023 to September 30, 2028
Option to Extend	One five (5) year lease extension
Base Rent:	\$9,500.00 /month, equivalent to \$114,000/per annum during the first year of the term
Rent Deposit:	Two months' rent in advance (first and last months' rent to be paid on October 1, 2023) prior to commencement of the Lease and access to ther Premises.
Escalation of Rent:	<b>2.5%</b> annual increase on the anniversary of the Commencement Date at years two (2), three (3), four (4) and five (5) of the Term. CPI will be determined at the renewal period, for exact Rent Escalation should the five (5) Year Extension Option be exercised.
Additional Rent:	City will pay operating expenses for utilities and maintenance directly.
Total cost to the City:	

Lease Year	Monthly Rent (escalated 2.5% per annum)	Lease Year	Base Rent (\$9.50 PSF)	Operating Expenses (\$10 PSF)	Total Cost to the City
<b>TERM 1</b>					
1	\$9,500.00	Oct '23 - Sept '24	\$104,500.00	\$120,000.00	\$224,500.00
2	\$9,737.50	Oct '24 - Sept '25	\$116,850.00	\$120,000.00	\$236,850.00
3	\$9,980.94	Oct '25 - Sept '26	\$119,771.25	\$120,000.00	\$239,771.25
4	\$10,230.46	Oct '26 - Sept '27	\$122,765.53	\$120,000.00	\$242,765.53
5	\$10,486.22	Oct '27 - Sept '28	\$125,834.67	\$120,000.00	\$245,834.67
<b>Total (First term- 5 years)</b>			<b>\$589,721.45</b>	<b>\$600,000.00</b>	<b>\$1,189,721.45</b>
<b>RENEWAL OPTION - 5 YEARS</b>					
6	\$10,748.38	Oct '28 - Sept '29	\$128,980.54	\$120,000.00	\$248,980.54
7	\$11,017.09	Oct '29 - Sept '30	\$132,205.05	\$120,000.00	\$252,205.05
8	\$11,292.51	Oct '30 - Sept '31	\$135,510.18	\$120,000.00	\$255,510.18
9	\$11,574.83	Oct '31 - Sept '32	\$138,897.93	\$120,000.00	\$258,897.93
10	\$11,864.20	Oct '32 - Sept '33	\$142,370.38	\$120,000.00	\$262,370.38
<b>Total (Renewal term – 5 years)</b>			<b>\$677,964.07</b>	<b>\$600,000.00</b>	<b>\$1,277,964.07</b>
<b>Total Rental Cost for 10 Years</b>			<b>\$1,267,685.52</b>	<b>\$1,200,000.00</b>	<b>\$2,467,685.52</b>

## NOTES-

1. Lease Year 1 starts at \$114,000 per annum, in equal consecutive monthly installments of \$9,500.00 each in advance on the first day of every month during the Term.
2. Rent increases annually at the rate of 2.5%.
3. Fixturing period is rent free, i.e., no rent paid for October 2023.
4. Operating Expenses includes Utilities and property management services such as janitorial, snow removal, lawn maintenance and waster disposal.
5. Operating Expense is an estimate; subject to change based on actuals.
6. Facility is tax exempt hence no realty tax expense to the city.

APPENDIX "B" – Location Map

