

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

TRACKING NO.: 2023-229

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

Prepared By:	Joanna Mysak	Division:	Corporate Real Estate Management
Date Prepared:	September 25, 2023	Phone No.:	(416)-338-0405

**Purpose** To obtain authority to enter into a lease agreement (the "**Lease**") with Danforth & Main Holding Limited (the "**Landlord**"), with respect to the property municipally known as 2690 Danforth Avenue, Toronto, Ontario, for the construction and operation of the premises as a senior dental clinic under the Ontario Seniors Dental Care Program by Toronto Public Health.

**Property** Approximately 1,000 square feet of the rentable area located on the ground floor, and approximately 1,000 square feet of exclusive use basement area within the property municipally known as 2690 Danforth Ave, Toronto, ON (the "**Premises**"), legally described as PT LT 144 PL 1351 TORONTO (EAST TORONTO) PTS 15, 16 & 17 63R1406 EXCEPT PT 6 63R3435; S/T & T/W CT697489; T/W RIGHT IN CT697489; S/T CT196293; TORONTO, CITY OF TORONTO, City of Toronto, being all of PIN 10430-0334 (LT) (the "**Property**"), as shown on the Location Map in Appendix "**B**".

**Actions** 1. Authority be granted to enter into the Lease with the Landlord for the Premises, 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 for the initial term of ten (10) years and one (1) optional extended term of five (5) years is approximately \$1,113,958.51 (plus HST) or \$1,133,564.18 (net of HST recoveries). Of this total, \$993,119.26 (plus HST) or \$1,010,598.16 (net of HST recoveries) is payable as basic rent; \$120,839.25 (plus HST) or \$122,966.02 (net of HST recoveries) is payable as additional rent.

Fiscal Year	Basic Rent (Before HST)	Operating Costs (Before HST)	Total Net of HST Recovery
2023	\$ 54,000.00	\$ 8,055.95	\$ 63,148.13
2024	\$ 55,620.00	\$ 8,055.95	\$ 64,796.65
2025	\$ 57,288.60	\$ 8,055.95	\$ 66,494.61
2026	\$ 59,007.26	\$ 8,055.95	\$ 68,243.52
2027	\$ 60,777.48	\$ 8,055.95	\$ 70,044.89
2028	\$ 62,600.80	\$ 8,055.95	\$ 71,900.31
2029	\$ 64,478.82	\$ 8,055.95	\$ 73,811.39
2030	\$ 66,413.19	\$ 8,055.95	\$ 75,779.80
2031	\$ 68,405.58	\$ 8,055.95	\$ 77,807.26
2032	\$ 70,457.75	\$ 8,055.95	\$ 79,895.54
2033	\$ 70,457.75	\$ 8,055.95	\$ 79,895.54
2034	\$ 72,571.48	\$ 8,055.95	\$ 82,046.48
2035	\$ 74,748.63	\$ 8,055.95	\$ 84,261.94
2036	\$ 76,991.09	\$ 8,055.95	\$ 86,543.87
2037	\$ 79,300.82	\$ 8,055.95	\$ 88,894.25

Funding for 2023 is available in the base of Toronto Public Health's 2023 approved Operating Budget under cost center PH3015 FAC5760000000. Funding for future years will be included in the base of Toronto Public Health's budget submission for the respective budget year. The funding is expected to be fully provided by the Province of Ontario for the Ontario Seniors Dental Care Program.

The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.

**Comments** On April 11, 2019, the Government of Ontario announced a \$90 million investment in the Ontario Seniors Dental Care Program (OSDCP), a new publicly-funded dental program for low-income Ontario seniors. The program is for eligible Ontario seniors, and allows eligible seniors to seek treatment services anywhere in Ontario where OSDCP is provided. As part of the Ministry's implementation, Toronto Public Health applied and received capital funding to procure or construct infrastructure to support program delivery. The Premises will house one of the senior dental clinics to deliver such a program.

The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.

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

**Terms** See Appendix A - Major Terms & Conditions

<b>Property Details</b>	<b>Ward:</b>	19 – Beaches-East York
	<b>Approximate Size:</b>	
	<b>Approximate Area:</b>	1000 square feet

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>B. Deputy City Manager, Corporate Services and Executive Director, Corporate Real Estate Management each has signing authority on behalf of the City for:</b>
<ul style="list-style-type: none"> <li>• Documents required to implement matters for which each position also has delegated approval authority.</li> <li>• Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.</li> <li>• Expropriation Applications and Notices following Council approval of expropriation.</li> <li>• Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents.</li> </ul>

**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 Brad Bradford	Councillor:	
Contact Name:		Contact Name:	
Contacted by:	<input type="checkbox"/> Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other	Contacted by:	<input type="checkbox"/> Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other
Comments:	No Objections	Comments:	

**Consultation with Divisions and/or Agencies**

Division:	Toronto Public Health	Division:	<b>Financial Planning</b>
Contact Name:	Humphrey Liu	Contact Name:	Ciro Tarantino
Comments:	Concurs	Comments:	Concurs

**Legal Services Division Contact**

Contact Name: **Michelle Xu**

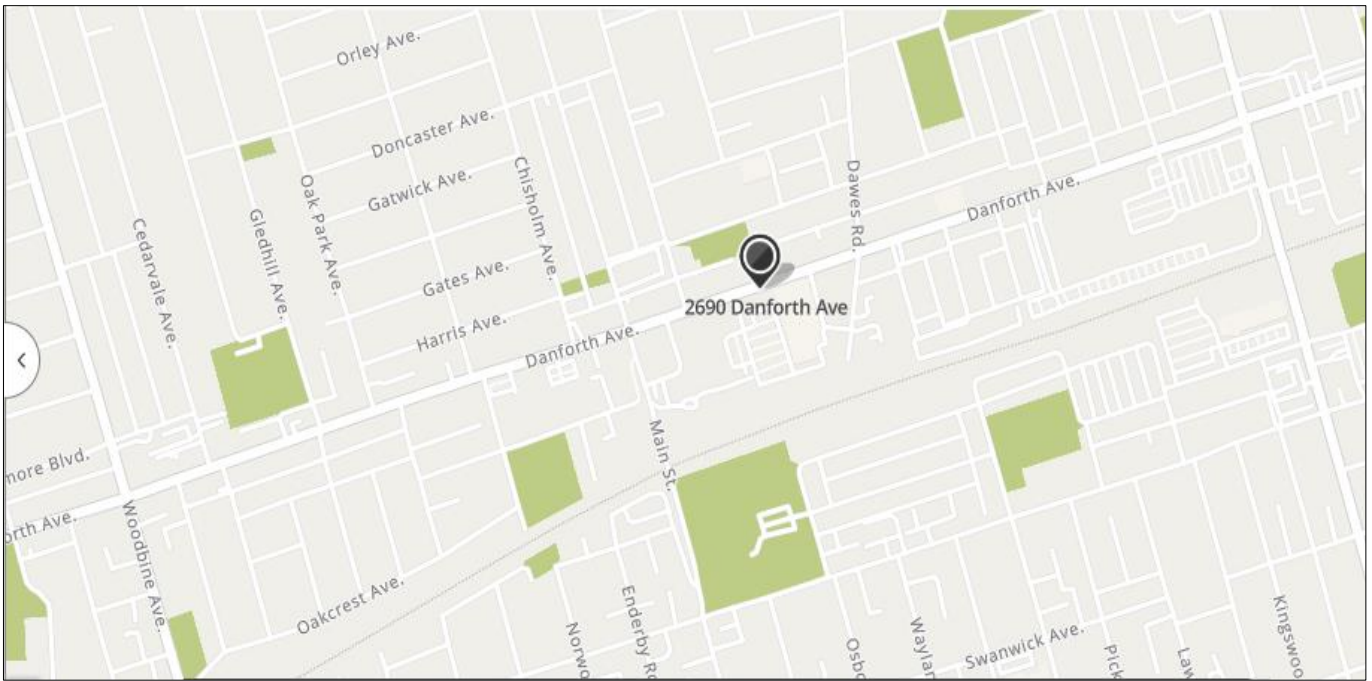
DAF Tracking No.: 2023-229	Date	Signature
Recommended by: Manager, Real Estate Services <i>Jennifer Kowalski</i>	Sept 25, 2023	Signed By: Jennifer Kowalski
Recommended by: Director, Real Estate Services <i>Alison Folosea</i>	Sept 27, 2023	Signed By: Alison Folosea
<input type="checkbox"/> Recommended by: <b>Executive Director, Corporate Real Estate Management</b> <input type="checkbox"/> Approved by: <b>Patrick Matozzo</b>	Sept 28, 2023	Signed By: Patrick Matozzo
<input type="checkbox"/> Approved by: <b>Deputy City Manager, Corporate Services</b> <b>Josie Scioli</b>		X

## Appendix A - Major Terms & Conditions

<b>Landlord:</b>	Danforth & Main Holding Limited
<b>Tenant:</b>	City of Toronto
<b>Premises:</b>	Approximately 1,000 square feet of rentable area on the ground floor and approximately 1,000 square feet of the exclusive use basement area located within the building municipally known as 2690 Danforth Avenue.
<b>Term:</b>	Ten (10) years, commencing on October 1, 2023 and expiring on September 30, 2033.
<b>Extension</b>	Provided that the Tenant is not in default beyond any applicable curing period under the Lease, the Tenant shall have one (1) option to extend the Lease for a period of Five (5), upon delivering a written notice to the Landlord, not less than six (6) months in advance of the expiry of the Term. The extended term shall be on the same terms and conditions as the original term except Rent shall be at fair market value and there will be no further right of extension.
<b>Fixturing Period:</b>	Commencing from October 1, 2023, and ending on the day that the Landlord's Work is substantially completed, the Tenant shall have a Basic Rent free period for the Landlord to complete the Landlord's Work at the Tenant's cost (" <b>Fixturing Period</b> "). The Tenant shall pay all utilities during the Fixturing Period. In the event that the Landlord's Work has not been completed by February 28, 2024, the Tenant may, but is not obligated to, perform the Landlord's Work at its own cost and the Fixturing Period shall be extended automatically until the Landlord's Work is completed.
<b>Basic Rent:</b>	<ul style="list-style-type: none"> <li>• First year Basic Rent of Fifty Four Thousand Dollars (\$54,000.00) per annum, plus HST, calculated at the annual rate of \$54.00 plus HST per square foot of the rentable area of the Premises;</li> <li>• Commencing from the second year until the fourth year of the Lease, Basic Rent shall be adjusted annually, at the beginning of the year, by the annual average Consumer Price Index ("<b>CPI</b>") rate published by Statistics Canada, as applicable to the City of Toronto, of the preceding year;</li> <li>• At the beginning of the fifth year, Basic Rent shall be adjusted to the market value of a comparable premises in the area; and</li> <li>• Commencing from the sixth year until the tenth year of the Lease, the Basic Rent shall be adjusted annually at the beginning of the Year, by the CPI rate of the preceding year.</li> </ul>
<b>Insurance:</b>	<ul style="list-style-type: none"> <li>• Comprehensive general liability insurance of not less than \$5,000,000.00 per occurrence and business interruption insurance. When the tenant is the City of Toronto, the tenant may self-insure.</li> </ul>
<b>Landlord's Work:</b>	During the Fixturing Period, the Landlord shall complete, at the Tenant's expense, the Landlord's Work in accordance with designs provided by the Tenant's designer. The Landlord shall be responsible for complying with the withholding provisions of the Construction Act (Ontario), but shall not be responsible for any claims relating to design errors and omissions, or for any construction deficiencies, provided that the Tenant is made a party to the Landlord's construction agreement for the purpose of enforcing the construction agreement. The Tenant's sole recourse for the Landlord's Work will be against the contractor undertaking such work. The general contractor shall provide a warranty for the Landlord's Work for two (2) years directly to the Tenant.
<b>Use:</b>	The Premises will be used for the operation of a dental clinic.
<b>Parking:</b>	The Landlord shall provide parking facilities at the rear of the building on the side of the Premises for transient, non-contract parking for two (2) vehicles, which shall be designated for the exclusive use of the Tenant.
<b>Municipal Capital Facility</b>	The Landlord acknowledges that the Tenant has the right to request the City Council to exempt the Premises from taxation for municipal and school purposes under section 252 of the City of Toronto Act, 2006 and O. Reg. 598/06 and has agreed to pass the full benefit of such exemption to the Tenant during the period of the exemption.

### APPENDIX "B"

#### LOCATION MAP



#### Premises

