

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

**TRACKING NO.: 2023-128**

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

<b>Prepared By:</b>	Lianne Chen	<b>Division:</b>	Corporate Real Estate Management
<b>Date Prepared:</b>	April 18, 2023	<b>Phone No.:</b>	416-392-7665
<b>Purpose</b>	To obtain authority to enter into a lease extending and amending agreement with KM Marketing International Ltd. (the " <b>Tenant</b> ") with respect to the property municipally known as 705 Progress Avenue, Unit 6, Toronto, for the purpose of use as the offices, warehousing, distribution and assembly of lighting fixtures (the " <b>Lease Extending and Amending Agreement</b> ").		
<b>Property</b>	The property municipally known as 705 Progress Avenue, Unit 6, Toronto, as shown on the Location Map in Appendix "A", comprising approximately 2,038 sq. ft. (the " <b>Premises</b> ").		
<b>Actions</b>	1. Authority be granted to enter into the Lease Extending and Amending Agreement with the Tenant, substantially on the major terms and conditions set out in Appendix " <b>B</b> ", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.		
<b>Financial Impact</b>	<p>705 Progress Avenue is a jointly owned facility between the City of Toronto and the Toronto District School Board (collectively, the "<b>Landlord</b>"). Net revenues collected are divided equally between the parties. The City's portion of total revenues is \$50,440.50 (plus HST), based on the total minimum rent from the Lease Extending and Amending Agreement of \$100,881.10 (plus HST), for the period of thirty-six (36) months commencing June 1, 2023 and ending May 31, 2026, as per the below table. The City's net revenue portion will be transferred to the dedicated parkland reserve fund (5% and 2% Land Acquisition Reserve Fund Scarborough - XR2007) less the management fee to be directed to the 2023 Council Approved Operating Budget for Corporate Real Estate Management (CREM), under cost center FA1378 and will be included in future operating budget submissions for Council consideration.</p> <p>2023: \$18,426.92 (plus HST)                  2024: \$32,777.83 (plus HST)                  2025: \$34,815.83 (plus HST)                  2026: \$14,860.42 (plus HST)  <b>Total: \$100,881.10 (plus HST)</b></p> <p>The tenant is responsible for its proportionate share of realty taxes, building insurance and maintenance, as well as all other operating costs of the building including water, gas, hydro, heating and air conditioning.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>		
<b>Comments</b>	<p>By a lease agreement dated January 6, 2023 (the "<b>Lease</b>"), the Landlord leased to the Tenant the Premises for a term of three (3) years, commencing June 1, 2020 to May 31, 2023 (see Delegated Approval Form 2022-216). Authority is now being sought to extend the Lease for a term of three (3) years (the "<b>Extended Term</b>"), and to amend the terms of the Lease.</p> <p>705 Progress Avenue is an industrial mall type of property consisting of approximately 156,000 square feet acquired in August, 1996 by the former City of Scarborough in partnership with the former Scarborough Board of Education (the "<b>Board</b>"). Pending development of the property as a future park and a school facility, it was decided to continue to lease the units to multiple tenants. Former City of Scarborough and the Board entered into an Operating Agreement dated January 2, 1997, which provided that the City, in consultation with the Board, would engage a property manager (currently Compass Commercial Realty LP) and enter into a management agreement. The City and the property manager would be responsible for the day-to-day operation of the property. There are no plans at the present time to carry out the intended uses by the City and the Board for the property.</p> <p>The proposed minimum rent and other major terms and conditions of the Lease Extending and Amending Agreement are considered to be fair, reasonable and reflective of market rates.</p>		
<b>Terms</b>	See Appendix " <b>B</b> ".		
<b>Property Details</b>	<b>Ward:</b>	24-Scarborough Guildwood	
	<b>Assessment Roll No.:</b>	Part of 1901-05-2-810-04300	
	<b>Approximate Size:</b>	N/A	
	<b>Approximate Area:</b>	2,038 sq. ft.	
	<b>Other Information:</b>	N/A	

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 &amp; Parks &amp; Open Space Areas of Official Plan:</p> <p>9. Leases/Licences (City as Landlord/Licensor):</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><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></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><b>Delegated to more senior positions.</b></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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></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><b>Delegated to more senior positions.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></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 &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><b>Delegated to more senior positions.</b></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 checked="" 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><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></p> <p><input 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:	Paul Ainslie	Councillor:	
Contact Name:	Paul Ainslie	Contact Name:	
Contacted by:	Phone <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:	May 04, 2023 No Objections	Comments:	

**Consultation with Divisions and/or Agencies**

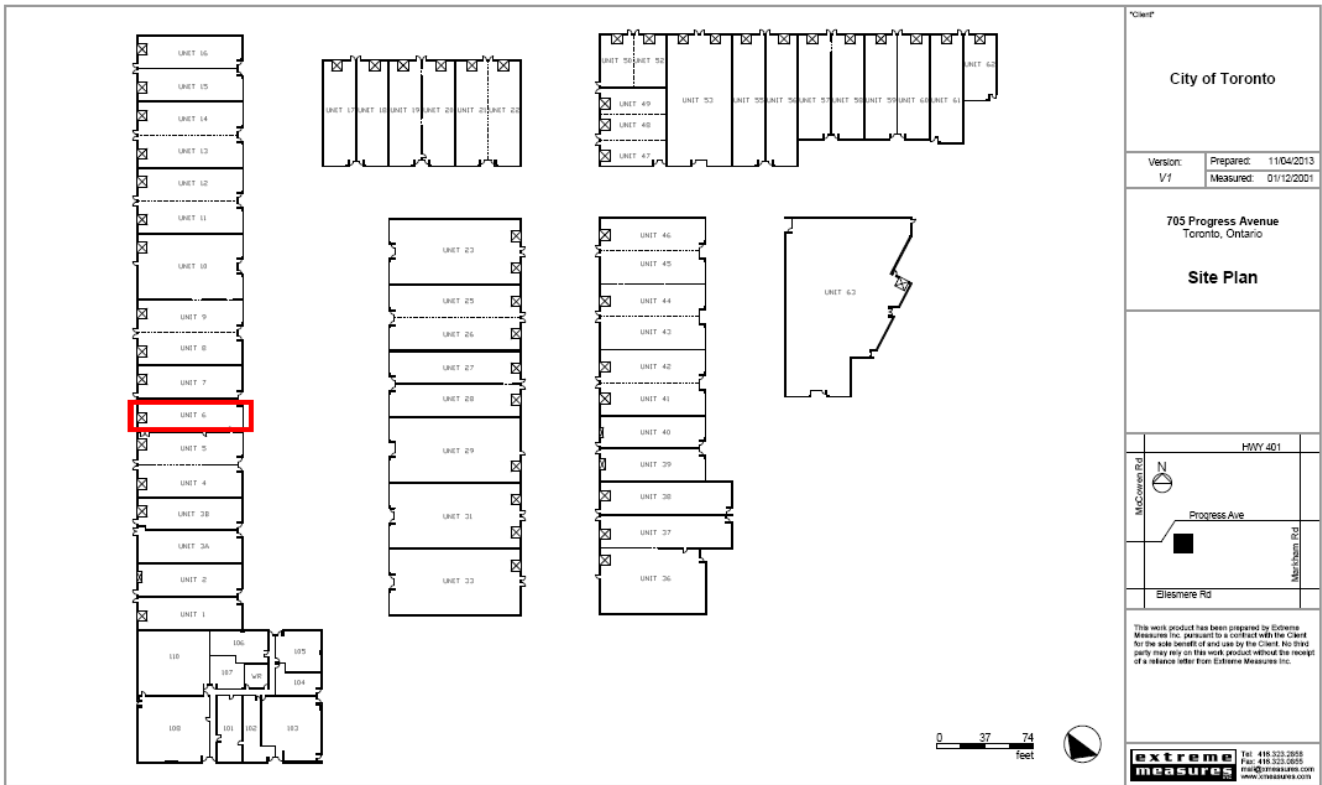
Division:		Division:	<b>Financial Planning</b>
Contact Name:		Contact Name:	Filisha Jenkins
Comments:		Comments:	Apr 19, 2023 No objections

**Legal Services Division Contact**

Contact Name: Seija Pietrangelo (Comments Incorporated)

DAF Tracking No.: 2023-128	Date	Signature
Concurred with by:		X
<input checked="" type="checkbox"/> Recommended by: <b>Manager, Real Estate Services Abdulle Elmi</b>	May 29, 2023	Signed by Abdulle Elmi
<input type="checkbox"/> Approved by:		
<input type="checkbox"/> Approved by: <b>Director, Real Estate Services Graham Leah</b>	May 26, 2023	Signed by Graham Leah

**Appendix "A"**  
**Floor Plan & Location Map**





705 Progress Avenue, Unit 62  
Toronto, Ontario M1H 2X1  
(416) 430-0215 fax (416) 430-0216  
e-mail: mudie@progressave.com

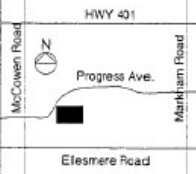
Version 1.0 November 2001

705 Progress Ave.  
Scarborough On.  
M1H 2X1  
Unit 6

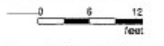
Area

2,038 sq ft

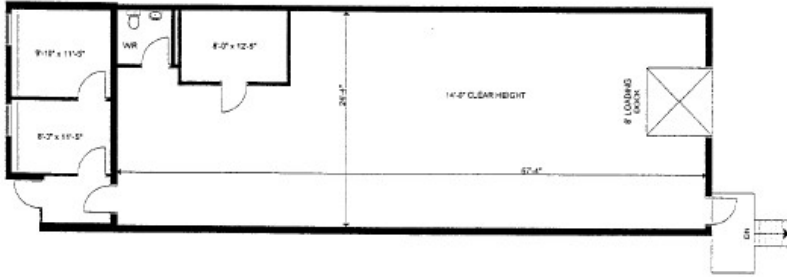
Location Map



Drawing Scale



prepared by:  
**extreme**  
**measures** inc. 416-320-3864  
fax: 416-323-0965  
mail@measure.com  
www.measure.com



Measured Using  
Laser Technology



**Appendix "B"**  
**Major Terms and Conditions**

<b>Minimum Rent:</b>	Month 1-12      \$31,589.00 net of HST (\$15.50/ft <sup>2</sup> ) Month 13-24    \$33,627.00 net of HST (\$16.50/ft <sup>2</sup> ) Month 25-36    \$35,665.00 net of HST (\$17.50/ft <sup>2</sup> )
<b>Additional Rent:</b>	Estimated \$12,044.58, plus any applicable taxes based on the 2023 operating cost budget rate of \$5.91/ ft <sup>2</sup> .
<b>Area of Premises:</b>	Approximately 2,038 ft <sup>2</sup> .
<b>Extended Term:</b>	Three (3) years (June 1, 2023 – May 31, 2026).
<b>Prepaid Rent and Security Deposit Top-Up:</b>	\$3,105.00
<b>Further Option to Extend:</b>	None.
<b>Landlord's Early Termination:</b>	Upon three (3) months' prior written notice.