

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

TRACKING NO.: 2024-037

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:	January 23, 2024	Phone No.:	416-338-0405

**Purpose**  
 To obtain authority to enter into a sublease extending and amending agreement with Victoria Wood (Main Square) Inc. as general partner of and on behalf of Victoria Wood (Main Square) Limited Partnership (the "Landlord") with respect to part of the property municipally known as 245 Main Street, Toronto for the purpose of the continued operation of the Main Square Community Centre by Parks, Forestry and Recreation (the "Lease Extending and Amending Agreement") for a term of ten (10) years (the "Extended Term").

**Property**  
 Part of the property municipally known as 245 Main Street, legally described as Part of Lot 3, Concession 1 from the Bay, designated as Part 1, Plan 64R-14519, City of Toronto, being part of the PIN 21013-0196 (LT) (the "Property"), as shown on the Location Map in Appendix "A".

**Actions**  
 1. Authority be granted to enter into the Lease Extending and Amending Agreement with the Landlord, substantially on the major terms and conditions set out in Appendix "B", 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 ten (10) year Extended Term is approximately \$4,307,208.57, excluding HST and applicable taxes or \$4,383,015.44 net of HST recoveries. Annual financial impact to the City is as follows:

Fiscal Year	Period	Base Rent (Before HST)	Total Cost net of HST Recovery
2024	February 1, 2024 - February 29, 2024	\$ 35,000.00	\$ 35,616.00
2024	March 1, 2024 - January 31, 2025	\$ 330,000.00	\$ 335,808.00
2025	February 1, 2025 - January 31, 2026	\$ 374,040.00	\$ 380,623.10
2026	February 1, 2026 - January 31, 2027	\$ 388,627.56	\$ 395,467.41
2027	February 1, 2027 - January 31, 2028	\$ 403,784.03	\$ 410,890.63
2028	February 1, 2028 - January 31, 2029	\$ 419,531.61	\$ 426,915.37
2029	February 1, 2029 - January 31, 2030	\$ 435,893.35	\$ 443,565.07
2030	February 1, 2030 - January 31, 2031	\$ 452,893.19	\$ 460,864.11
2031	February 1, 2031 - January 31, 2032	\$ 470,556.02	\$ 478,837.81
2032	February 1, 2032 - January 31, 2033	\$ 488,907.70	\$ 497,512.48
2033	February 1, 2033 - January 31, 2034	\$ 507,975.11	\$ 516,915.47
<b>Total Cost for the 10-year term</b>		<b>\$ 4,307,208.57</b>	<b>\$ 4,383,015.44</b>

The base rent is subject to CPI increases from February 1, 2025 onwards. The annual CPI increase for any given year shall be no less than 2.5% and no greater than 7.5%. Funding is available in the 2023 Council Approved Operating Budget for Parks, Forestry and Recreation (PFR) under cost centre P06732. The Chief Financial Officer and Treasurer has been provided the financial impacts associated with this program for review as part of the 2024 budget process.

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

**Comments**  
 The City has been a subtenant at the Property since August 24, 2000, which sublease initially expired on December 30, 2023, but was extended for a further term of thirty-two days, which expires January 31, 2024 (collectively, the "Lease"). Main Square Community Centre, located in the building on the Property, comprises approximately 21,000 square feet of space and is an integral part of the community, providing services to residents of the Main Square apartment buildings, as well as to the broader community who benefit from center facilities such as the swimming pool, gym, multi-purpose areas and other recreational services.

Parks, Forestry and Recreation, which division operates the Main Square Community Centre, has confirmed that the continued operation of the community center beyond January 31, 2024 is required to meet ongoing delivery requirements in the catchment area and has requested that a longer term be secured. The Landlord has agreed to the Lease Extending and Amending Agreement to allow for an additional term of ten (10) years, subject to the Landlord's early termination right upon 6 months' prior written notice to the City.

Corporate Real Estate Services staff consider the proposed base rent and other major terms and conditions of the Lease Extending and Amending Agreement to be fair, reasonable and reflective of market rates.

**Terms**  
 See Appendix "B".

<b>Property Details</b>	<b>Ward:</b>	19 – Beaches-East York
	<b>Approximate Area:</b>	21,000 square feet

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate 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/REOs:</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 \$3 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.</p> <p><b>Request/waive hearings of necessity delegated to less senior positions.</b></p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$3 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 \$3 Million.</p> <p><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.</p> <p><b>Delegated to a more senior position.</b></p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$3 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 \$3 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>	<p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.</p> <p><b>Request/waive hearings of necessity delegated to less senior positions.</b></p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$5 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 \$5 Million.</p> <p><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.</p> <p><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.</p> <p><input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$5 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 \$5 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. 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:	Councillor Brad Bradford	Councillor:	
Contact Name:		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:	Concurs	Comments:	

**Consultation with Divisions and/or Agencies**

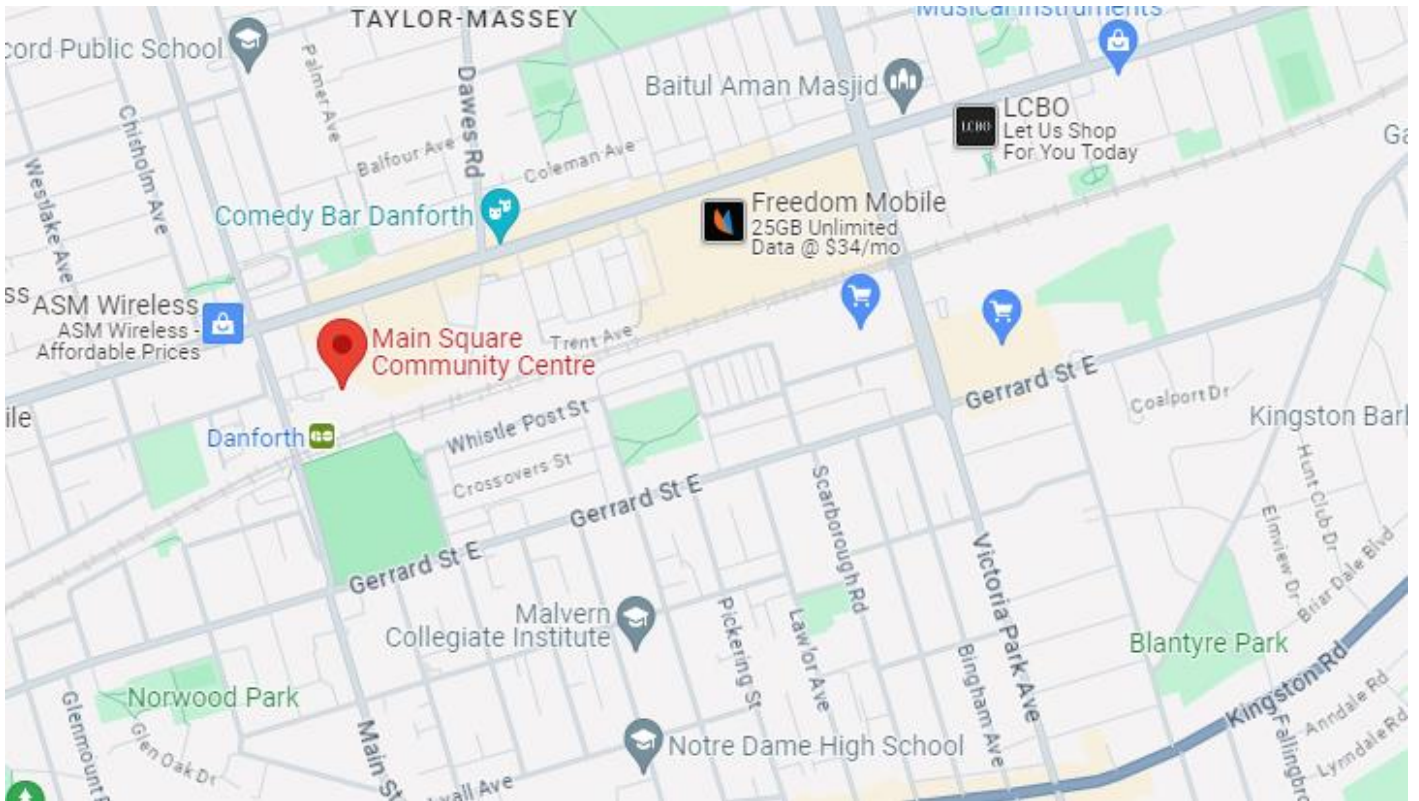
Division:	Parks, Forestry & Recreation	Division:	<b>Financial Planning</b>
Contact Name:	Christina Iacovino	Contact Name:	Ciro Tarantino
Comments:	Consulted	Comments:	Consulted

**Legal Services Division Contact**

Contact Name:	Seija Pietrangelo
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DAF Tracking No.: 2024-037	Date	Signature
Recommended by: Manager, Real Estate Services Jennifer Kowalski	Jan. 30, 2024	Signed by Jennifer Kowalski
Recommended by: Director, Real Estate Services Alison Folosea	Feb. 5, 2024	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: <b>Executive Director, Corporate Real Estate Management</b> <input type="checkbox"/> Approved by: <b>Patrick Matozzo</b>	Feb. 7, 2024	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: <b>Deputy City Manager, Corporate Services David Jollimore</b>	Feb. 7, 2024	Signed by David Jollimore

**APPENDIX "A"**  
**Location Map**



**APPENDIX "B"**  
**Major Terms and Conditions**

**Leased Premises:** Approximately 21,000 square feet of space in the building located on the Property.

**Extended Term:** Ten (10) years, commencing on February 1, 2024 and expiring on January 31, 2034

**Base Rent:** From February 1, 2024 through February 29, 2024, the Tenant shall pay to the Landlord, Base Rent in the amount of one instalment of Thirty-Five Thousand Dollars (\$35,000.00), plus harmonized sales tax. From and after March 1, 2024 and throughout the rest of the Second Extended Term, the Tenant shall pay to the Landlord, Base Rent in the amount of Three Hundred and Sixty Thousand Dollars (\$360,000.00) per annum, payable in advance on the first day of each month in equal monthly instalments of \$30,000.00 each. The Base Rent shall be subject to annual CPI increases from February 1, 2025 onwards. The CPI increase payable by the Tenant for any given year shall be no less than 2.5% and no greater than seven percent (7.5%).

**Additional Rent:** The City shall pay to the Landlord during the Extended Term Additional Rent in accordance with the Lease.

**Use:** Community and recreation centre.

**Early Termination by Landlord:** At any time during the Extended Term, Landlord shall have the right to terminate the Lease upon giving written notice of such termination to the Tenant, which shall not be less than One Hundred and Eighty (180) calendar days after the Termination Notice is given.

All other terms and conditions of the Lease to remain the same.