



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

TRACKING NO.: 2024- 043

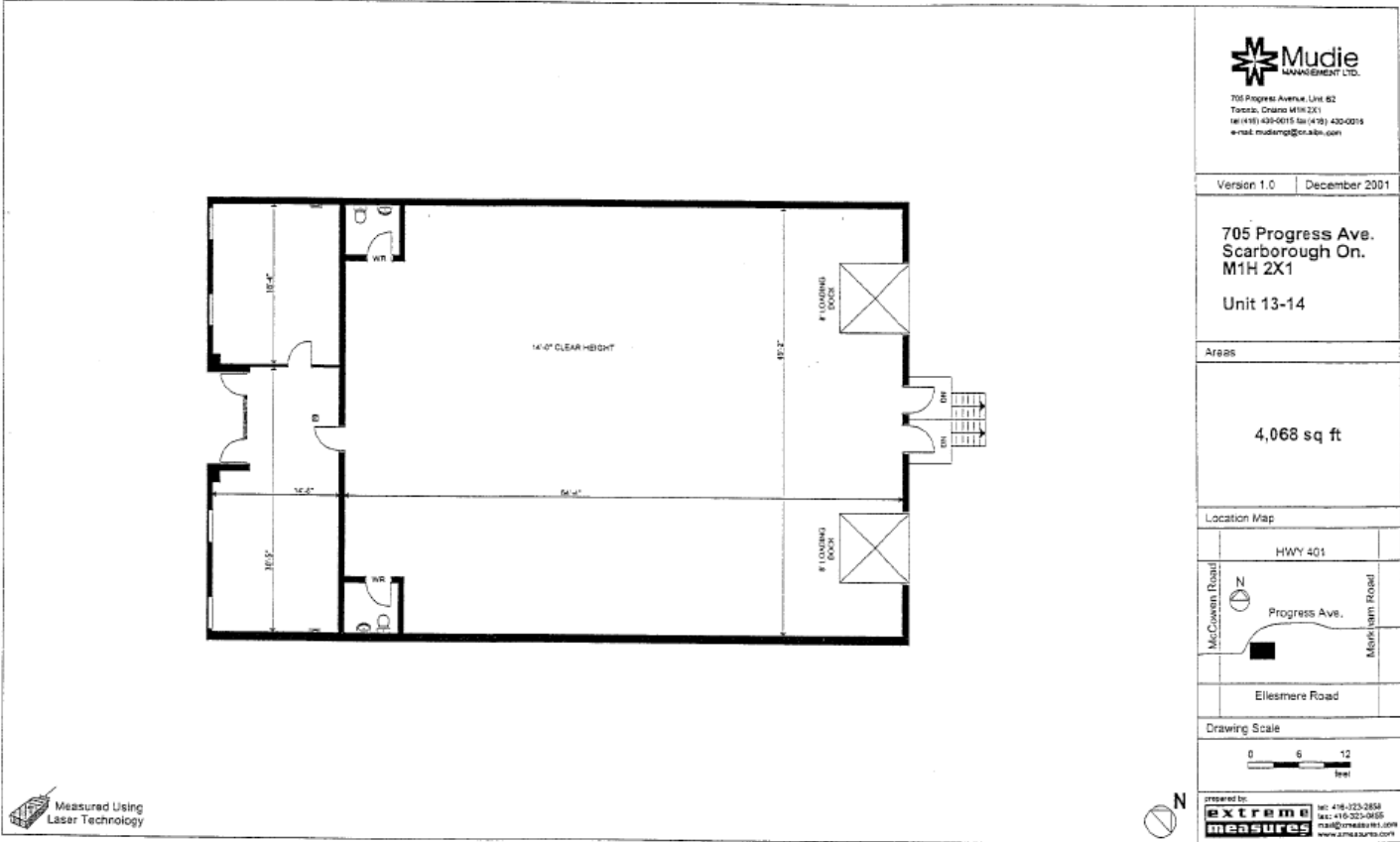
Approved pursuant to the Delegated Authority contained in Article 2 of City of Toronto Municipal Code Chapter 213, Real Property			
Prepared By:	Lianne Chen	Division:	Corporate Real Estate Management
Date Prepared:	December 13, 2023	Phone No.:	416-392-7665
Purpose	To obtain authority to enter into a lease extending and amending agreement with San Pro Inc.. (the " <b>Tenant</b> ") with respect to the property municipally known as 705 Progress Avenue, Unit 13 & 14, Toronto, for the purpose of the printing and storage of signs and designs (the " <b>Lease Agreement</b> ").		
Property	The property municipally known as 705 Progress Avenue, Unit 13 & 14, Toronto, as shown on the Location Map in Appendix " <b>A</b> ", comprising approximately 4,068 sq. ft. (the " <b>Premises</b> ").		
Actions	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.		
Financial Impact	<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 \$97,632.00 (plus HST), based on the total minimum rent from the lease agreement of \$195,264.00 (plus HST), for the period of thirty-six (36) months commencing April 1, 2024 and ending March 31, 2027 of the Lease Agreement, as per 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 2024 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>2024: \$45,765.00 (plus HST) 2025: \$64,071.00 (plus HST) 2026: \$68,139.00 (plus HST) 2027: \$17,289.00 (plus HST) <b>Total: \$195,264.00 (plus HST)</b></p> <p>The tenant is responsible for the 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 has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>By a lease agreement dated January 27, 2023 (the "<b>Lease</b>"), the Landlord leased to the Tenant the Premises for a term of three (3) years, commencing April 1, 2021 to March 31, 2024 (see Delegated Approval Form 2022-260). 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.</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>		
Terms	See Appendix " <b>B</b> ".		
Property Details	Ward:	24-Scarborough Guildwood	
	Assessment Roll No.:	Part of 1901-05-2-810-04300	
	Approximate Size:	N/A	
	Approximate Area:	4,068 sq. ft.	
	Other Information:	N/A	

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
2A. Expropriations Where City is Expropriating Authority:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 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 \$50,000. <input type="checkbox"/> (b) Request Hearings of Necessity. <input type="checkbox"/> (c) Waive Hearings of Necessity.	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million. <input type="checkbox"/> (b) Request Hearings of Necessity. <input type="checkbox"/> (c) Waive Hearings of Necessity.
3. Issuance of RFPs/REOs:	Delegated to more senior positions.	<input type="checkbox"/> Issuance of RFPs/REOs.
4. Permanent Highway Closures:	Delegated to more senior positions.	<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:	Delegated to more senior positions.	Delegated to more senior positions.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	Delegated to more senior positions.	<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 \$50,000. <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.	<input checked="" type="checkbox"/> (a) Where total compensation (including options/ renewals) does not exceed \$1 Million. <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.
	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.	Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$50,000.	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$1 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation does not exceed \$50,000.  Delegated to more senior positions.	<input type="checkbox"/> (a) Where total compensation does not exceed \$1 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 \$50,000.	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.
13. Revisions to Council Decisions in Real Estate Matters:	Delegated to more senior positions.	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).
14. Miscellaneous:	Delegated to more senior positions.	<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>Pre-Condition to Approval</b>																					
<input checked="" type="checkbox"/> Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property																					
<b>Consultation with Councillor(s)</b>																					
Councillor:		Paul Ainslie						Councillor:													
Contact Name:		Antonette DiNovo						Contact Name:													
Contacted by:			Phone	x	E-Mail			Memo			Other	Contacted by:			Phone		E-mail		Memo		Other
Comments:		No Objections						Comments:													
<b>Consultation with Divisions and/or Agencies</b>																					
Division:								Division:		<b>Financial Planning</b>											
Contact Name:								Contact Name:		Coro Tarantino											
Comments:								Comments:		No objections											
<b>Legal Services Division Contact</b>																					
Contact Name:		Shahab Siddigui (Comments incorporated)																			

DAF Tracking No.: 2024- 043	Date	Signature
Concurred with by:		
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Nike Coker	February 6, 2024	Signed by Nike Coker
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Graham Leah	March 18, 2024	Signed by Graham Leah

Appendix "A"  
Floor Plan & Location Map





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

<b>Minimum Rent:</b>	Month 1-12	\$61,020.00 net of HST (\$15.00/ft <sup>2</sup> )
	Month 13-24	\$65,088.00 net of HST (\$16.00/ft <sup>2</sup> )
	Month 25-36	\$69,156.00 net of HST (\$17.00/ft <sup>2</sup> )
<b>Additional Rent:</b>	Estimated \$18,733.14, plus any applicable taxes based on the 2024 operating cost budget rate of \$6.14/ ft <sup>2</sup> .	
<b>Area of Premises:</b>	Approximately 4,068 ft <sup>2</sup> .	
<b>Extended Term:</b>	Three (3) years (April 1, 2024 – March 31, 2027).	
<b>Prepaid Rent and Security Deposit Top-up</b>	\$5,240.18	