

# DELEGATED APPROVAL FORM

## DIRECTOR, REAL ESTATE SERVICES

## MANAGER, REAL ESTATE SERVICES

TRACKING NO.: 2024-100

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

Prepared By:	Rocchina Zambri	Division:	Corporate Real Estate Management
Date Prepared:	May 7, 2024	Phone No.:	416.338-2995
<b>Purpose</b>	To obtain authority to enter into a lease agreement with I Cornetti Inc. (the "Tenant") with respect to the property municipally known as 3150 HWY 7, Vaughan, for the purpose of retail space.		
<b>Property</b>	204.51 square feet of retail space inside Vaughan Metropolitan Subway Station located at 3150 HWY 7, in the City of Vaughan, as shown on sketch in Appendix "B".		
<b>Actions</b>	1. Authority be granted to enter into the Lease Agreement with the Tenant, 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.		
<b>Financial Impact</b>	<p>The TTC will receive a total revenue of \$204,100.98 (plus HST) or \$207,693.16 (net of HST recoveries) over the ten (10) year term. Total revenue cost to the TTC is detailed below.</p> <p>2024 - \$13,180.28 (net of HST recoveries)  2025 - \$19,770.39 (net of HST recoveries)  2026 - \$19,770.39 (net of HST recoveries)  2027 - \$20,255.98 (net of HST recoveries)  2028 - \$20,498.77 (net of HST recoveries)  2029 - \$20,984.36 (net of HST recoveries)  2030 - \$21,227.16 (net of HST recoveries)  2031 - \$21,227.16 (net of HST recoveries)  2032 - \$21,643.38 (net of HST recoveries)  2033 - \$21,851.48 (net of HST recoveries)  2034 - \$7,283.82 (net of HST recoveries)</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>		
<b>Comments</b>	<p>There is approximately 32,000 square feet of retail space comprising of 80 retail locations across 69 Toronto Transit Commission stations, with an additional six locations in the Line 1 extension stations. The leasing of the retail spaces will enhance customer experience. The City has negotiated a ten-year Lease agreement with the Tenant for space located in the Vaughan Metropolitan Centre Station.</p> <p>The proposed rent and other major terms and conditions of the Lease Agreement are considered to be fair, reasonable and reflective of market rates.</p>		
<b>Terms</b>	See Appendix "A"		
<b>Property Details</b>	<b>Ward:</b> <b>Assessment Roll No.:</b> <b>Approximate Size:</b> <b>Approximate Area:</b> <b>Other Information:</b>	Not Applicable (Vaughan Metropolitan Centre)	

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/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 \$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/REOs.</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:	Not Applicable					Councillor:					
Contact Name:						Contact Name:					
Contacted by:	Phone		E-Mail		Memo		Contacted by:	Phone		E-mail	
Comments:						Comments:					

**Consultation with Divisions and/or Agencies**

Division:	Toronto Transit Commission					Division:	<b>Financial Planning</b>				
Contact Name:	Paul Occhiogrosso					Contact Name:	Ciro Tarantino				
Comments:	Concur					Comments:	Concur				

**Legal Services Division Contact**

Contact Name: Amna Shakil

DAF Tracking No.: 2024-100		Date	Signature
<input checked="" type="checkbox"/> Recommended by:	Manager, Real Estate Services Vinette Prescott-Brown	May 9, 2024	Signed by Vinette Prescott-Brown
<input type="checkbox"/> Approved by:			
<input type="checkbox"/> Approved by:	Director, Real Estate Services Alison Folosea	May 14, 2024	Signed by Alison Folosea

## Appendix "A"

### Major Terms and Conditions

Tenant	I Cornetti
Rentable Area	204.51 square feet
Term	10 years commencing, commencing on November 1 <sup>st</sup> , 2024 ("Commencement Date"). The Tenant may take possession of the Premises to complete renovations necessary to open the business during the period of 6 months prior to the Commencement Date, provided that this Lease has been executed ("Fixturing Period").
Overhold	If, at the expiration of the Term or any extension or renewal thereof, Tenant remains in possession with the consent of the City but without any further written agreement, the Tenant shall be deemed to be a monthly Tenant only at a rental payable monthly in advance at double the rate payable at the expiration of the Term or renewal term, which tenancy may be terminated on one (1) month's notice and otherwise upon and subject to the terms and conditions contained in this Lease.
Ownership/Removal of Leasehold Improvements	At the expiry or earlier termination of the Term or any renewal thereof, all leasehold improvements to the Premises shall become the property of the City, but the Tenant will remove at its own expense its trade fixtures and any leasehold improvements that the City requires be removed. The Tenant will at its own expense repair any damage caused to the Premises by such removal.
Use	For the sale at retail of specialty coffees, espresso based beverages, teas, other hot, cold and blended beverages, gourmet coffee products, coffee in bean or bulk form; and as ancillary hereto and the sale of non-perishable food products, including, but not limited to, desserts, pastries, baked goods, dessert squares, muffins, croissants, danishes, scones, tarts, rolls, cakes, donuts, biscotti, bagels, cookies, gelato, ice cream, yogurt, smoothies and premade specialty sandwiches all for on or off Premises consumption.
Additional Rent	Includes taxes, operating costs, management of the building, realty taxes, utilities, common area maintenance cost and on the premises, together with the Tenant's Share of all Taxes, operating costs and management for the property/building.
Percentage Rate	The Tenant shall pay to the City in each Lease Year, further rent equal to the aggregate amount, if any, by which seven (7%) percent of Gross Revenue in such Lease Year exceeds Basic Rent for such Lease Year.
Insurance	<p>All risks insurance (including flood and earthquake) property insurance in an amount equal to one hundred (100%) percent of the full replacement cost insuring all property owned by Tenant or for which Tenant is legally liable or installed by or on behalf of Tenant, or located on the Premises including without limitation, leasehold improvements, chattels, furniture, stock, brewery equipment, office equipment, retail store and restaurant equipment, pressure vessels, mechanical and electrical equipment, fixtures, contents, the building and any other buildings and structures erected on the Premises, with coverage against all risks of physical damage; and extra expense insurance in such amounts as will reimburse the Tenant for loss attributable to all perils.</p> <p>Tenant's "all-risk" legal liability insurance in an amount not less than Two Million Dollars (\$2,000,000.00) per Occurrence and standard owner's automobile liability insurance with limits of not less than one million Dollars (\$1,000,000.00) in respect of any one accident</p>
Release and Indemnity	<p>Tenant hereby releases the City, its respective employees, agents and those for whom it is responsible at law from all liability, costs, damages, claims or demands for any death, injury, damage to property or other claim which Tenant, its employees, agents, occupants and its invitees now has or might in the future have arising from death, injury, property damage or any other claim of any kind or nature whatsoever in relation to the Premises, the Property and/or the Building however caused</p> <p>Tenant agrees to indemnify and save harmless the City, its successors and assigns, and its members, employees and agents from all loss, costs, damages, claims or demands of any kind whatsoever by anyone with respect to any act, omission, negligence or liability or occurrence of any kind or nature whatsoever in and about the Premises, the Property and/or the Building, including those under or in connection with the Construction Lien Act and Workplace Safety and Insurance Act, 1997, except to the extent such damages, claims or demands are caused by the negligence or misconduct of the City or those for whom it is responsible at law.</p>

# Appendix "B"

## Sketch

