

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

TRACKING NO.: 2024-201

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

Prepared By:	Myron Menezes	Division:	Corporate Real Estate Management
Date Prepared:	August 26, 2024	Phone No.:	416-338-3586

Purpose To obtain authority to enter into a lease agreement with Fallingbrook Property Inc. (the "Landlord") with respect to the property municipally known as 1230 Kingston Road, Toronto for the purpose of a City of Toronto Councillor Office (the "Lease Agreement").

Property The property municipally known as 1230 Kingston Road, Toronto, legally described as LT 34 PL 3145 Scarborough; LT 35 PL 3145 Scarborough; LT 36 PL 3145 Scarborough; LT 37 PL 3145 Scarborough; LT 38 PL 3145 Scarborough; LT 39 PL 3145 Scarborough; PT LT 19 PL 3223 Scarborough as in CA481940; S/T CA481940; S/T SC57941, SC61315; City of Toronto, being a portion of PIN 06466-0060 (LT), (the "Property"), as shown on the Location Map in Appendix "B".

Actions 1. Authority be granted to enter into the Lease Agreement with the Landlord, substantially on the major terms and conditions set out in Appendix "A", and including such other terms as deemed appropriate by they approving authority herein, and in a form acceptable to the City Solicitor.

Financial Impact The total estimated cost to the City for the lease agreement term of two (2) years and three (3) months, commencing on August 15, 2024 and expiring on November 14, 2026, is approximately \$60,388.97 (plus HST) or \$61,451.82 (net of HST recovery). The total estimated cost of lease improvements including permit fees is \$31,200 (plus HST) or \$31,640 (net of HST recovery). If the option to extend is exercised, the total estimated cost to the city is \$202,554.77 (plus HST) or \$206,119.74 (net of HST recovery).

Funding is included in the 2024 Council Approved Operating Budget for City Council (under cost center CNY020-661000000) and will be included in future year operating budget submissions for Council consideration.

Lease costs to be incurred by the City for each fiscal year is as follows:

Ground floor w/ basement for 1230 Kingston Road, Toronto, Ontario, Canada, M1N 1P3												
	Period (2 years and 3 months; Aug 15, 2024, - Nov 14, 2026)	Unit SF	Basic Rent \$/ft2/yr	Additional Rent \$/ft2/yr	Basic Rent total (month)	Basic Rent total (year)	Additional rent total (month)	Additional rent total (year)	Monthly Total (pre HST)	Yearly Total (pre HST)	Monthly Total (net of HST)	Yearly Total (net of HST)
City Councillor, Ward 20	Year 1 (Aug 15, 2024- Aug 14, 2025)	1173	\$ 10.50	\$ 12.00	\$ 1,026.38	\$ 12,316.50	\$ 1,173.00	\$ 14,076.00	\$ 2,199.38	\$ 26,392.50	\$ 2,238.08	\$ 26,857.01
City Councillor, Ward 20	Year 2 (Aug 15, 2025- Aug 14, 2026)	1173	\$ 10.71	\$ 12.36	\$ 1,046.90	\$ 12,562.83	\$ 1,208.19	\$ 14,498.28	\$ 2,255.09	\$ 27,061.11	\$ 2,294.78	\$ 27,537.39
City Councillor, Ward 20	Year 3 (Aug 15, 2026- Nov 14, 2026)	1173	\$ 10.92	\$ 12.73	\$ 1,067.43	\$ 3,202.29	\$ 1,244.36	\$ 3,733.07	\$ 2,311.79	\$ 6,935.36	\$ 2,352.47	\$ 7,057.42
									\$ 6,766.26	\$ 60,388.97	\$ 6,885.34	\$ 61,451.82
Note: Utilities is billed directly to the City by the utility company so no charges from the Landlord on this.												

Comments The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information. At its meeting on July 11, 12 and 13, 2012, City Council adopted and amended report EX21.9 "Policy Changes to Councillor Office Operations" and in doing so, Council directed that the provision of a constituency office, within a civic centre (including City Hall) or within the Councillors' respective ward, be funded from the General Council Account, and further, that staff develop appropriate parameters for these spaces.

At its meeting on October 30, 31, and November 1, 2012, City Council adopted Recommendation 1 of Report CC27.5 "Parameters for Councillor Constituency Offices" and approved the proposed parameters.

At its meeting on March 7, 2019, City Council amended and adopted EX2.5 "2019 Capital and Operating Budgets" amending the Parameters for Councillor Constituency Offices Policy to set the annual constituency office rent budget per Councillor for 2019. The parameters include an annual inflationary adjustment for the lease entitlement.

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

Terms See Appendix "A"

Property Details	Ward:	20 – Scarborough Southwest
	Assessment Roll No.:	
	Approximate Size:	
	Approximate Area:	108.98 m ² ± (1,173 ft ² ±)
	Other Information:	

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 & Parks & 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>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</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>Delegated to more senior positions.</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>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</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>Delegated to more senior positions.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p>Delegated to more senior positions.</p> <p>Delegated to more senior positions.</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 & authorize GM, Transportation Services to give notice of proposed by-law.</p> <p>Delegated to more senior positions.</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 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>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</p> <p><input checked="" 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:	Parthi Kandavel	Councillor:	
Contact Name:	Alexandra Kyriakos	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:	No objections	Comments:	

Consultation with Divisions and/or Agencies

Division:	City Clerk's Office	Division:	Financial Planning
Contact Name:	Mike Pacholok	Contact Name:	Ciro Tarantino
Comments:	Comments incorporated	Comments:	Comments incorporated

Legal Services Division Contact

Contact Name: Chris Cieslik - comments incorporated

DAF Tracking No.: 2024-201	Date	Signature
<input checked="" type="checkbox"/> Recommended by: Manager, Real Estate Services Niall Robertson	August 27, 2024	Signed by Niall Robertson
<input type="checkbox"/> Approved by:		
<input checked="" type="checkbox"/> Approved by: Director, Real Estate Services Scott Barrett	August 28, 2024	Signed by Scott Barrett

Appendix "A"

Major Terms and Conditions

Landlord:	Fallingbrook Property Inc.
Tenant:	City of Toronto
Property:	1230 Kingston Road, Toronto, Ontario, Canada, M1N 1P3
Premises Size:	1,173ft ² + basement
Term:	2 years and 3 months (August 15, 2024 to November 14, 2026)
Option to extend:	1 option of 4 years at current market rates with notice to be provided by Nov 14, 2026.
Early termination for Tenant:	Automatically on last day of current Councillor's term if it ends earlier or as set out in the termination notice if the City provides one.
Early termination for Landlord:	1. Any time after the second (2nd) year of the Term of this Lease, being August 15, 2026, the Landlord may terminate this Lease if the Landlord desires to substantially demolish, redevelop or renovate the building to the extent that vacant possession of the Leased Premises is required. 2. Shall be in the Landlord's sole discretion and shall only be effected by written notice provided which is at least one hundred and twenty (120) days before the Termination Date "
Minimum Rent:	Year 1: \$1,026.38 /month (\$12,316.50/year) Year 2: \$1,046.90 /month (\$12,562.83/year) Year 3: \$1,067.43 /month (\$3,202.29/year)
Additional Rent:	Calendar year 2024: \$12.00/ft ² + HST Calendar year 2025: \$12.36/ft ² + HST Calendar year 2026: \$12.73/ft ² + HST
Use:	City of Toronto Councillor Office
Maintenance:	1. Maintain the Leased Premises and its contents in a clean, neat, safe and orderly condition and in good repair at all times throughout the Term. 2. Responsible to perform and pay for janitorial service in addition to light bulb replacement.
Signage:	Only with the Landlord's approval. Tenant will be responsible to install, maintain and pay for any signage they get permission on.
Restoration:	1. Return the Leased Premises and its contents to the Landlord in the condition it was supposed to be maintained in at the expiration or earlier termination of the Term. 2. Tenant, at its own cost, to remove all of its trade fixtures, chattels and such of its leasehold improvements and fixtures installed in the Leased Premises as the Landlord reasonably requires to be removed. The Tenant specifically acknowledges that it must remove all fibre optical cables and any other electrical cable or wire that the Landlord requires to be removed. The Tenant will repair damage, excluding reasonable wear and tear, to the Leased Premises and will return the Leased Premises to the Landlord in a clean and broom swept condition, save and except should Landlord provide notice that the Building is to be substantially demolished.
Insurance:	1. Comprehensive public liability and property damage insurance: \$5,000,000.00 per occurrence 2. All risk insurance on all property within the leased premises at full replacement cost for a period of 1 year.
Landlord's indemnity:	Full except where landlord is negligent.
Overholding:	Only with the landlord's approval. Monthly Tenancy at the same rent as directly before expiry.
Landlord's work:	Complete numerous base building items amounting to a total cost of \$10,000 + HST by no later than 21 days after lease execution.
Tenant's work:	1. Landlord acting reasonably will provide approval for all Tenant's work. 2. Tenant will pay for all work they need to perform. 3. Tenant may request Landlord to do any and all of the work it requires at the leased premises. Landlord, acting reasonably, will perform the work as long as the Tenant pays for the work immediately upon completion, as agreed upon with the applicable Tenant representative. 4. Any party performing the Tenant's Work, including the Landlord, will ensure that the work is performed, (i) by competent workers whose labour union affiliations are compatible with the City of Toronto's Fair Wage Policy, as set out in the Toronto Municipal Code, Chapter 67, (ii) in a good and skillful manner, (iii) in accordance with the plans and specifications approved by the Landlord, and (iv) in accordance with the Landlord's reasonable requirements. 5. Tenant may ask for work at a future date and the Landlord in their sole and absolute discretion will complete this work at the Tenant's expense.

Appendix "B"

Location Map

