

DELEGATED APPROVAL FORM

CITY MANAGER

TRACKING NO.: 2024-160

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

Prepared By:	Owen Bartley	Division:	Corporate Real Estate Management
Date Prepared:	September 10, 2024	Phone No.:	(416) 338-1297
Purpose	To obtain authority to enter into a lease with Toronto District School Board (the "Landlord") with respect to the property municipally known as 105 Norseman Street, Toronto for the purpose of the continued operation of a public swimming pool and related recreational uses (the "Lease").		
Property	The portion of the building known as Norseman Community Pool, situated on the property municipally known as 105 Norseman Street, Toronto, legally described as Pt Lt 12, Con 2, or eastern meridian, as in EB99378, except EB142253 and EB179579 ; Etobicoke, City of Toronto, subject to an easement in gross as in AT3829655 City of Toronto, being part of PIN 07522-0018 (LT), (the "Property"), as shown on the Location Map in Appendix "B".		
Actions	1. Authority be granted to enter into the Lease with the Landlord, substantially on the major terms and conditions set out in Appendix "A", and including such other or amended terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.		
Financial Impact	<p>The total cost to the City is estimated to be approximately \$6,240,676.90 (plus HST) or \$6,350,512.81 (net of HST recoveries), as follows:</p> <ol style="list-style-type: none"> \$3,070,000.00 (plus HST) for one-time capital works; Pool time and lifeguard services provided at no charge to the Landlord, with a value estimated at \$1,993,784.60 (plus HST) for the initial term, based on an estimated annual cost of \$99,689.23 (plus HST) per year. Should the City exercise its options to extend the term of the Lease, the additional estimated cost would be \$996,892.30 (plus HST) for a grand total of \$2,990,676.90. There will be no direct rental payment to the Landlord; and Parking lot maintenance and snow removal with a value estimated at \$120,000.00 (plus HST) for the initial term, based on an estimated annual cost of \$6,000.00 (plus HST) per year. Should the City exercise its options to extend the term of the Lease, the additional estimated cost would be \$60,000.00, (plus HST) for a grand total of \$180,000.00. <p>Funding for capital work is available in the 2024 Council Approved Operating Budget for Parks Forestry & Recreation under cost centre CPR120-49-01.</p> <p>Funding for annual costs is available in the 2024 Council Approved Operating Budget for Parks Forestry & Recreation under cost centre P08213.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>Parks, Forestry and Recreation (PF&R) and the former Etobicoke Board of Education, now merged into the Toronto District School Board, each contributed to the construction of a community pool located on the Property. PF&R has operated the pool as the owner since 1976 under a letter of understanding, and not a formal lease. PF&R has a planned capital project for state of good repair improvements to the pool building. A formal lease is required in order to permit PFR to proceed with the capital project.</p> <p>City staff have negotiated major terms and conditions with the Landlord as set out in Appendix "A". The proposed terms and conditions of the Lease are considered to be fair, reasonable and reflective of market rates.</p>		
Terms	See Appendix "A"		
Property Details	Ward:	3 – Etobicoke-Lakeshore	
	Assessment Roll No.:	1919 015 350 02700	
	Approximate Size:		
	Approximate Area:	1,306.59 m ² ± (14,064 ft ² ±)	
	Other Information:		

A.	City Manager has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$10 Million.
2A. Expropriations Where City is Expropriating Authority:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$10 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 \$10 Million.
3. Issuance of RFPs/REOLs:	Request/waive hearings of necessity delegated to less senior positions.
4. Permanent Highway Closures:	Delegated to less senior positions.
5. Transfer of Operational Management to Divisions, Agencies and Corporations:	Delegated to less senior positions.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$10 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$10 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	Delegated to less senior positions.
9. Leases/Licences (City as Landlord/Licensor):	<input type="checkbox"/> Where total compensation (including options/ renewals) does not exceed \$10 Million.
	Leases/licences for periods up to 12 months at less than market value delegated to less senior positions.
	Leases pursuant to the Community Space Tenancy Policy delegated to a less senior position.
10. Leases/Licences (City as Tenant/Licensee):	<input checked="" type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$10 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> Where total compensation does not exceed \$10 Million.
	Nominal sum easements to pre-existing utilities when closing roads delegated to less senior positions.
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$10 Million.
13. Revisions to Council Decisions in Real Estate Matters:	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).
14. Miscellaneous:	Delegated to less senior positions.

B. City Manager has signing authority on behalf of the City for:

- Documents required to implement matters for which this position also has delegated approval authority.

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:	Amber Morley	Councillor:	
Contact Name:	Amber Morley	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:	Advised	Comments:	

Consultation with Divisions and/or Agencies

Division:	Parks, Forestry and Recreation	Division:	Financial Planning
Contact Name:	Alex Deighan	Contact Name:	Ciro Tarantino
Comments:	No changes	Comments:	Revisions Incorporated

Legal Services Division Contact

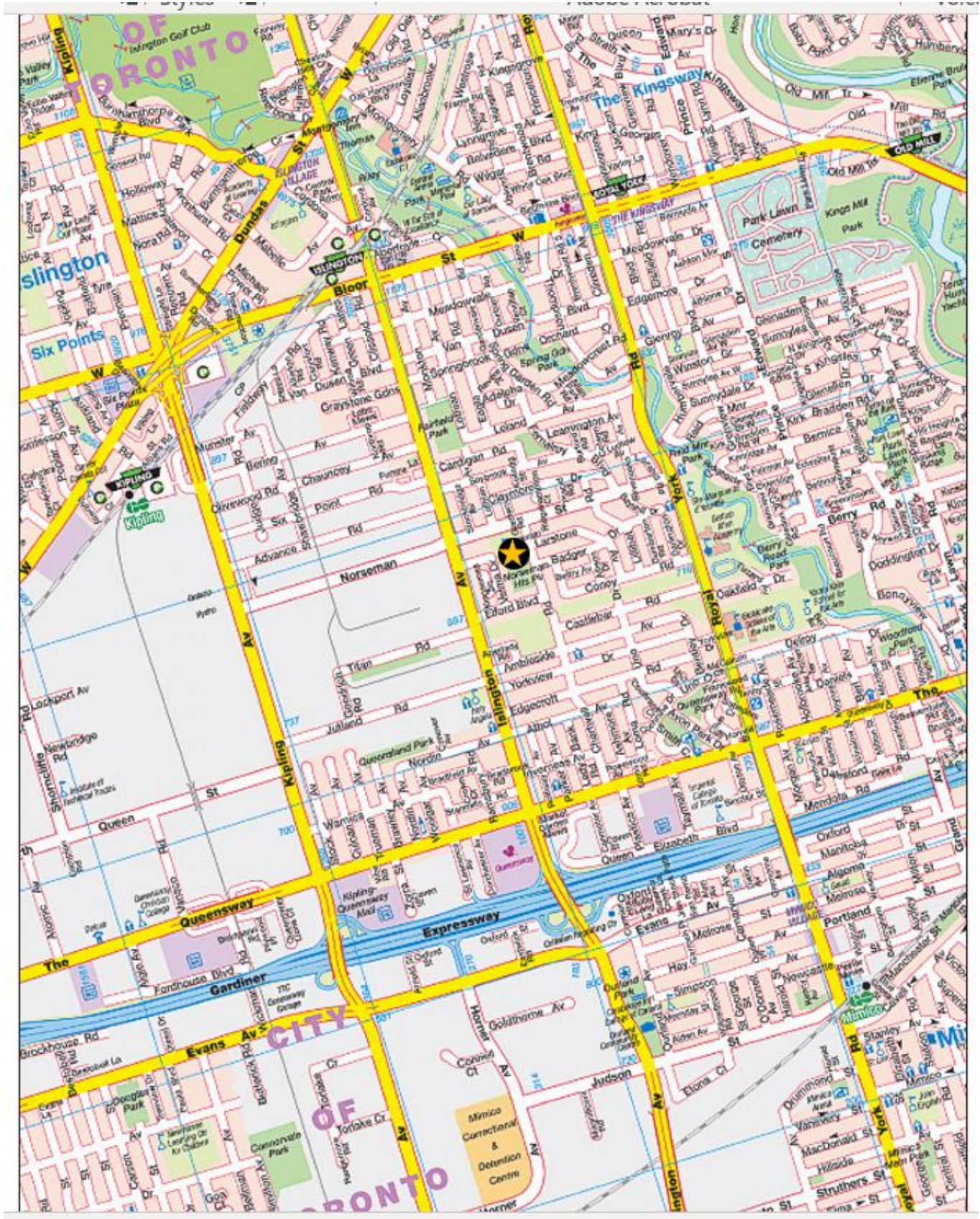
Contact Name:	Dale Mellor
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DAF Tracking No.: 2024-160	Date	Signature
Recommended by: Manager, Real Estate Services Vinette Prescott-Brown	Sept. 13, 2024	Signed by Vinette Prescott-Brown
Recommended by: Director, Real Estate Services Alison Folosea	Oct. 11, 2024	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management Patrick Matozzo	Oct. 11, 2024	Signed by Patrick Matozzo
<input type="checkbox"/> Recommended by: Deputy City Manager, Corporate Services David Jollimore	Oct. 14, 2024	Signed by David Jollimore
<input checked="" type="checkbox"/> Approved by: City Manager Paul Johnson	Oct. 18, 2024	Signed by Paul Johnson

Appendix "A"

Major Terms and Conditions

Landlord:	Toronto District School Board
Premises:	Approximately 14,064 sq ft, as shown in Appendix "C"
Initial Term:	Twenty (20) years
Commencement Date:	July 1, 2024
Expiry Date:	June 30, 2044
Option to Extend:	The City shall have the right, at its option, to extend the term for two (2) further periods of five (5) years each.
Early Termination:	If the Landlord requires use of the Premises for its own purposes the Landlord will have the right to terminate the Lease at any time from and after the tenth (10th) anniversary of the Commencement Date by giving the City a minimum of fourteen (14) months' prior written notice.
Use:	The Premises shall be used and occupied only for the purpose of a City-operated public swimming pool and related recreational uses and for no other purposes without the prior written consent of the Landlord
Security System:	The City covenants and agrees to provide and maintain in good working order a security system for the building and to have it monitored in accordance with good practice, including notification of the Toronto Fire Department should an alarm condition arise.
Health Protection Act:	The Landlord hereby assigns to the City, during the term of the Lease, all duties and obligations as "owner", as defined in Regulation 565/90 ("Reg 565") of the Health Protection and Promotion Act, R.S.O. 1990, c. H.7 ("HPPA") governing public pools. The City shall comply with all requirements as both "owner" and "operator" with respect to the Premises and City Building as both terms are defined in the HPPA and Reg 565. The City further agrees that it will be the sole operator of the pool and all related equipment and systems. The City shall operate and maintain the Premises in compliance with the HPPA and Reg 565.
Parking Lot:	The parking lot is for shared use of the Landlord and City. Four (4) spaces will be designated for the exclusive use of the City. The Landlord requires exclusive use of the remainder of the parking lot during school drop-off and pick up times.
Rent:	<p>The City's obligation to pay annual basic rent for the Premises will be satisfied as follows:</p> <ul style="list-style-type: none"> (a) during the Term by the provision to the Landlord at no cost to it of four (4) hours per School Day of permitted pool use by the Landlord's pupils at the City Building. These hours of use will be between 7 and 9 a.m. and 2 and 4 p.m.; (b) the City will provide, at its sole cost, lifeguards as required by law during the times of permitted pool use by the Landlord's pupils. The Landlord will provide swimming instructors at its cost and 'as needed'.
Utilities:	The City shall ensure there is separate metering of all utilities required for operation of the Premises and shall pay all applicable charges directly to the suppliers on or before the payment due date, and shall provide proof of payment to the Landlord if requested to do so.
Additional Costs:	<p>The City agrees to pay a share of the Landlord's costs, within 30 days of receipt of an invoice, as follows:</p> <ul style="list-style-type: none"> (a) one-half of the cost of snow removal from and salting of the parking lot based on a separate invoice issued by the Landlord's contractor; (b) if the Landlord's contractor does not issue a separate invoice for the parking lot or if the Landlord's staff are responsible for snow removal from the entire school property (including the Parking Lot), then the City will pay 16.5% of the cost of snow removal and salting of the lands; (c) 50% of the cost of exterior caretaking of the parking lot and adjacent landscaped areas including garbage pick-up, public sidewalk snow removal and salting (other than snow removal and salting for the sidewalks and entranceway to the City Building which shall be the City's sole responsibility); and (d) 50% of the cost of repairs to the asphalt of the parking lot and of the cost of repaving the parking lot when required. The Landlord and C shall agree any repair work in advance, both parties acting reasonably.
Renovations:	<ul style="list-style-type: none"> (a) The Landlord acknowledges that the City intends to perform certain renovations, repairs and replacements to the City building including without limitation, replacement of windows, doors, roofing and building cladding (the "Renovations"). (b) The City agrees to provide reasonable evidence of the cost of the Renovations to the Landlord. The Landlord agrees that, if it exercises its right to terminate the Lease prior to the end of the Initial Term, it will reimburse the City for the unamortized cost of the Renovations calculated on a straight-line basis without interest over the Initial Term (regardless of when the Renovations were undertaken or completed). The maximum cost to be amortized will not exceed Three Million (\$3,000,000) Dollars.



Appendix "C" – Leased Premises

