

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

TRACKING NO.: 2024-175

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

Prepared By:	Shernaz Writer	Division:	Corporate Real Estate Management
Date Prepared:	October 22, 2024	Phone No.:	416 392 7614
Purpose	To obtain authority to enter into a lease extension and amending agreement (the "Agreement") with 150 Eglinton Avenue Limited (the "Landlord"), and the City of Toronto (the "Tenant") with respect to the property municipally known as 150 Eglinton Avenue East, Toronto for the purpose of a general administration space utilized by Toronto Employment and Social Services for a further term of three (3) years from November 1, 2024, to October 31, 2027		
Property	Suite 900 and 1000 located in the property municipally known as 150 Eglinton Avenue East, Toronto, which comprises approximately 24,799 square feet of space (the "Leased Premises"). Location map and floor Plan are shown in Appendix "B".		
Actions	1. Authority be granted to enter into the Agreement with the Landlord, substantially on the major terms and conditions set out in Appendix "A", and on such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.		
Financial Impact	<p>The total value of the lease agreement including the 3-Year Term and the 2-Year Extension Option is approximately \$4,236,909.09.</p> <p>The Total cost for the three (3) year Agreement shall be \$2,527,266.09 plus Harmonized Sales Tax, comprised of \$1,041,558.00 for Basic Rent and \$1,485,708.09 for Additional Rent.</p> <p>The Total Cost for the two (2) year Extension Option is \$1,709,643.00, plus Harmonized Sales Tax, comprised of \$719,171.00 for Basic Rent and \$990,472.00 for Additional Rent.</p> <p>The total cost over the three (3) year term will come out of the cost center CO1220, GL 4525 for 2024 (Toronto Employment and Social Services). This cost has been included in the 2024 budget for TESS and will be included in the subsequent budgets.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the Financial Impact information.</p>		
Comments	<p>Toronto Employment and Social Services (TESS) has been leasing office space at 150 Eglinton since September 1, 1999 as a social service delivery location for the Midtown area. The lease is for a local field Office where TESS clients access Ontario Works, employment and training supports, and other social services. The lease is excluded from the ModernTO office portfolio as it a site that provides social services to the public within a specific geographic service area.</p> <p>The proposed rent and other major terms and conditions of the Agreement are considered to be fair, reasonable and reflective of market rates.</p>		
Terms	See Appendix A		
Property Details	Ward:	Ward 12 – Toronto – St. Paul	
	Assessment Roll No.:	190410401005700 0000	
	Approximate Size:	24,799 sq. ft	
	Approximate Area:		
	Other Information:	Lease amendment and renewal	

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 & 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 \$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>Request/waive hearings of necessity delegated to less senior positions.</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><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>Delegated to a more senior position.</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 checked="" 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>Request/waive hearings of necessity delegated to less senior positions.</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><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 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:	Josh Matlow	Councillor:	
Contact Name:	Andrew Athanasius	Contact Name:	
Contacted by:	Phone <input checked="" type="checkbox"/> 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:	Informed	Comments:	

Consultation with Divisions and/or Agencies

Division:	Toronto Employment & Social Services	Division:	Financial Planning
Contact Name:	Jeff Parkovnick	Contact Name:	Ciro Tarantino
Comments:	Concurred	Comments:	Concurred

Legal Services Division Contact

Contact Name:	Jay Gronc
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DAF Tracking No.: 2024-175	Date	Signature
Recommended by: Manager, Real Estate Services Jennifer Kowalski	Oct. 24, 2024	Signed by Jennifer Kowalski
Recommended by: Director, Real Estate Services Alison Folosea	Oct. 25, 2024	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input type="checkbox"/> Approved by: Patrick Matozzo	Oct. 28, 2024	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Deputy City Manager, Corporate Services David Jollimore	Oct. 28, 2024	Signed by David Jollimore

Appendix "A"

Major Terms and Conditions

Landlord: 150 Eglinton Avenue Limited

Tenant: City of Toronto

Address: 150 Eglinton Avenue East, Toronto

Leased Premises: Suites 900 and 1000, approximately 24,799 square feet of rentable area

Term: Three (3) years

Option to Extend: One additional term of up to 2 years

Commencement Date: November 1, 2024

Expiry Date: October 31, 2027

Use: The Leased Premises will be used for general administration space utilized by Toronto Employment and Social Services.

Period of the Fourth Extended Term- 24,799 sft.	Basic Rent psf	Annual Basic Rent	Monthly Basic Rent	Additional Rent psf	Annual Additional Rent	Monthly Additional Rent
November 1, 2024 to October 31, 2025	\$13.50	\$334,786.50	\$27,898.88	\$19.97	\$495,236.03	\$41,269.66
November 1, 2025 to October 31, 2026	\$14.00	\$347,186.00	\$28,932.17	\$19.97	\$495,236.03	\$41,269.66
November 1, 2026 to October 31, 2027	\$14.50	\$359,585.50	\$29,965.46	\$19.97	\$495,236.03	\$41,269.66
Total		\$1,041,558.00			\$1,485,708.09	
Total Rent in 3 years: \$ 2,527,266.09						

The total compensation (including options/renewals) would be approximately \$4,236,909.09.

The Total cost to the City for the three (3) year Agreement shall be \$2,527,266.09 plus Harmonized Sales Tax.

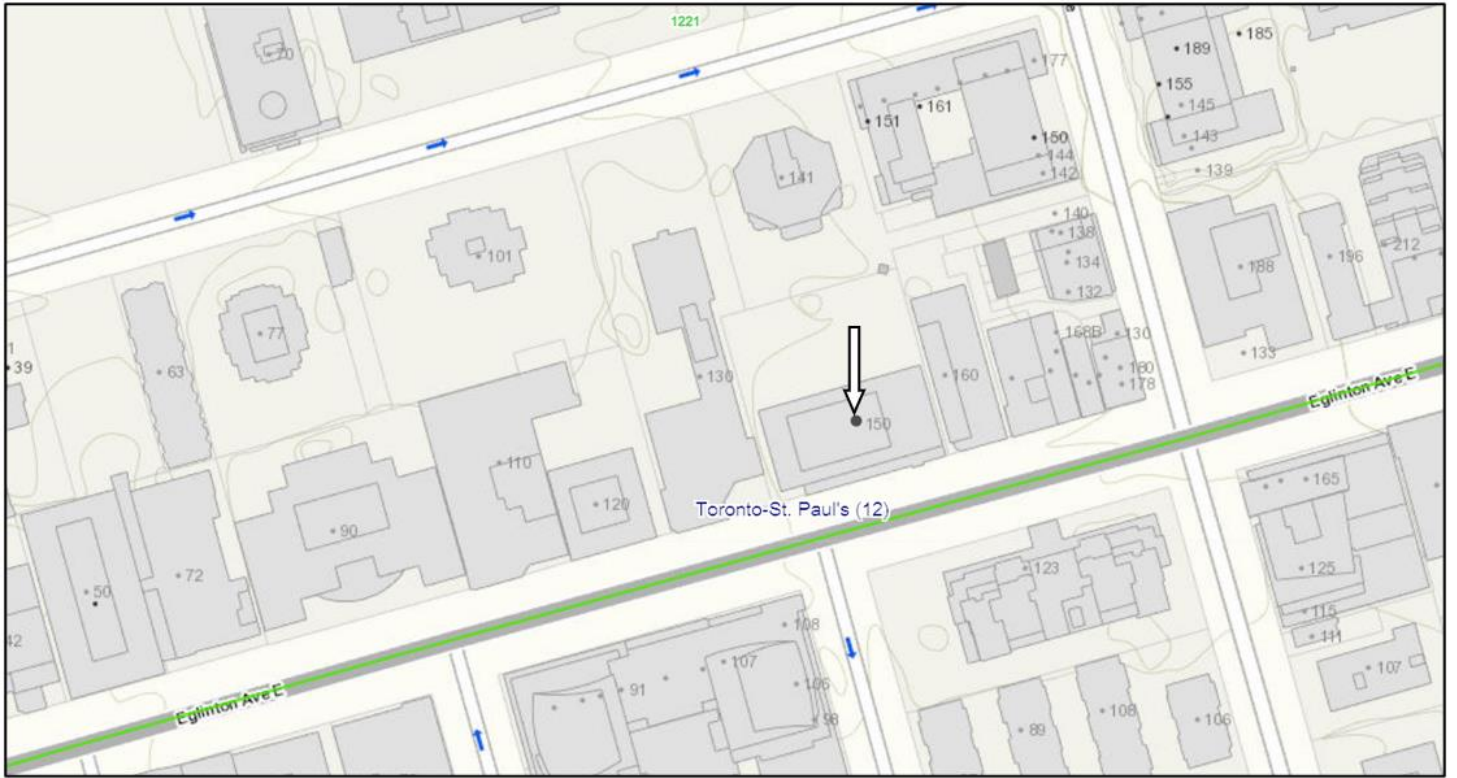
For the 2-year extension, Basic rent @ \$359,585.50 per year (totaling \$719,171.00) and additional rent @ \$495,236.03 per year (totaling \$990,472.00). The total compensation payable for the second option to extend is \$1,709,643.00, total Basic rent (\$719,171.00) + total additional rent (\$990,472.00).

Municipal Capital Facilities Agreement:

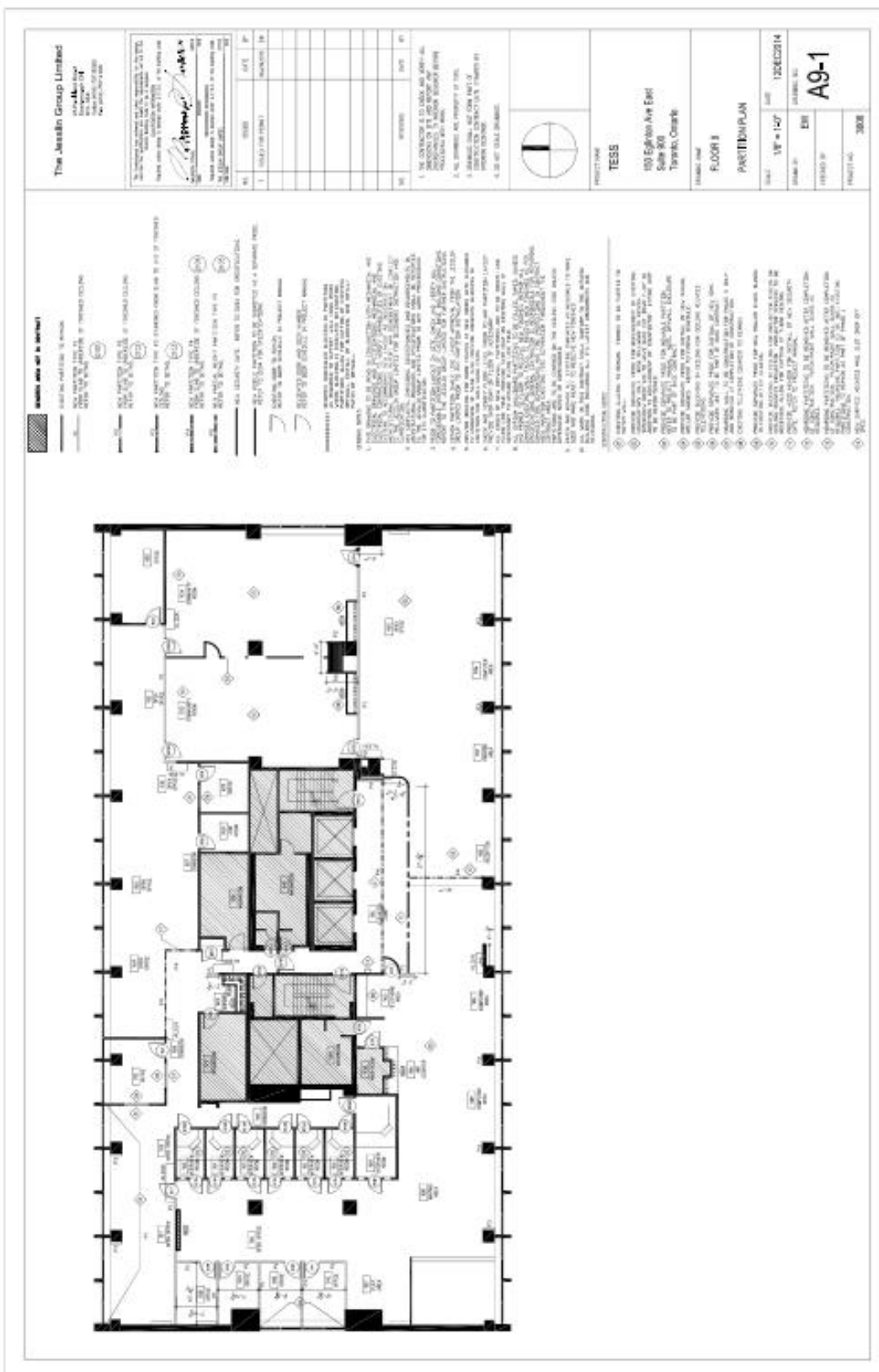
The Landlord acknowledges that the City has the right, in its discretion, to request Toronto City Council to exempt the Property from taxation for municipal and school purposes if the City considers that the Leased Premises may be used as a municipal capital facility. Provided Toronto City Council grants satisfactory approval to this effect, the Landlord has agreed to enter at its sole cost and expense into the necessary municipal capital facility agreement with the City pursuant to Section 110(1) of the Municipal Act, 2001, as amended, in a form acceptable to the City Solicitor and legal counsel for the Landlord and to pass the full benefit of such exemption on to the City during the entire period of any such exemption.

Appendix "B"

Location Map

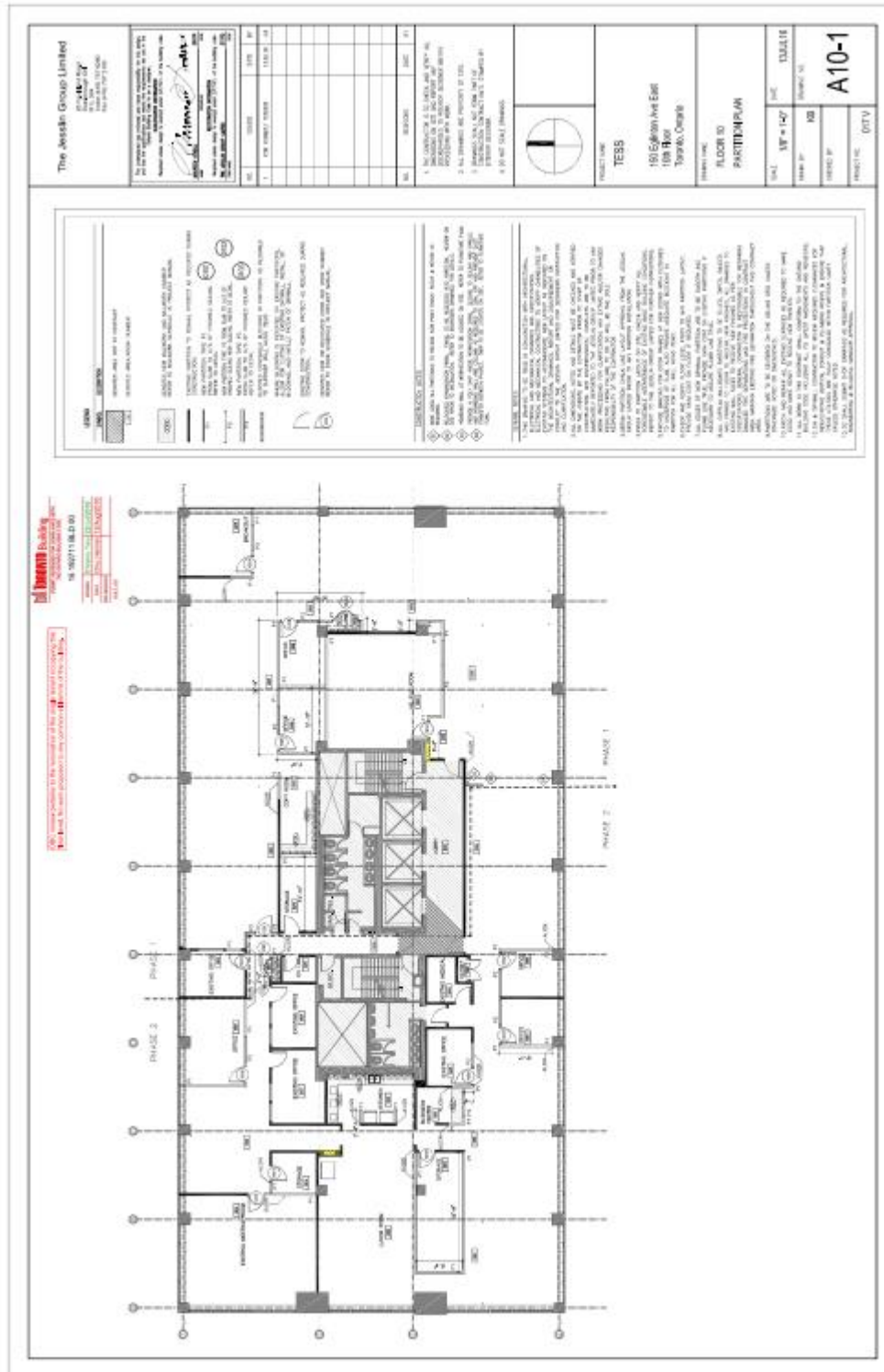


Floor Plan – Suite 900



Appendix "B"

Floor Plan – Suite 1000



Building reserved (0000000000)