

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

TRACKING NO.: 2024-226

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

Prepared By:	Joe Corigliano	Division:	Corporate Real Estate Management										
Date Prepared:	September 9 th 2024	Phone No.:	416-392-1167										
Purpose	To obtain authority to enter into a lease renewal agreement (the "Lease Renewal Agreement") with Costco Wholesale Canada Ltd. (the "Tenant") for the continued use of the property municipally known as part of 9b Canadian Road, Toronto and part of the adjacent City-owned lands to the east of 9b Canadian Road, Toronto, for the purpose of a queuing line/driveway for the operation of the Tenant's fueling station at the Warden Costco (as defined below) and additional parking spaces for use by the Warden Costco.												
Property	Part of the property municipally known as 9b Canadian Road, Toronto and along with part of the adjacent City-owned lands to the east of 9b Canadian Road, Toronto, as shown on the location map attached hereto as Appendix "B" and legally described as Parts 1, 2 and 3 on Plan 66R-30838, attached hereto as Appendix "C" (the "Leased Premises")												
Actions	1. Authority be granted to enter into the Lease Renewal 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.												
Financial Impact	<p>The Tenant will pay the City basic rent in the amount of \$1,771,382.73 (plus HST), for the five (5) year renewal term. Revenue will be directed to the 2024 Council Approved Operating Budget for Corporate Real Estate Management (CREM) under cost center FA1495.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>												
Comments	<p>The Tenant operates the Costco warehouse located at 1411 Warden Avenue, Toronto (the "Warden Costco"), which is adjacent to the Leased Premises.</p> <p>The City is currently leasing the Leased Premises to the Tenant pursuant to a lease dated August 1, 2019 (the "Lease"), which was authorized pursuant to DAF Tracking No. 2019-204. The Lease granted the Tenant three (3) options to renew the Lease for five (5) years each pursuant to the terms and conditions set out therein. The Tenant exercised its first option to renew by a letter dated February 19, 2024. The current term expires on August 25, 2024. Basic rent for the renewal term is to be determined based on the fair market rates.</p> <p>All other terms and conditions of the Lease shall remain the same.</p> <p>Basic rent has been adjusted accordingly to reflect fair market rates for the new five (5) year renewal term of August 26, 2024 to August 25, 2029.</p>												
Terms	See Appendix "A" for major terms and conditions.												
Property Details	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Ward:</td> <td>21-Scarborough Centre</td> </tr> <tr> <td>Assessment Roll No.:</td> <td></td> </tr> <tr> <td>Approximate Size:</td> <td></td> </tr> <tr> <td>Approximate Area:</td> <td>5,862.9 m² ± (63,108 ft² ±)</td> </tr> <tr> <td>Other Information:</td> <td></td> </tr> </table>			Ward:	21-Scarborough Centre	Assessment Roll No.:		Approximate Size:		Approximate Area:	5,862.9 m ² ± (63,108 ft ² ±)	Other Information:	
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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 checked="" 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 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; 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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:	M. Thompson	Councillor:	
Contact Name:	M. Thompson	Contact Name:	
Contacted by:	<input type="checkbox"/> Phone <input checked="" type="checkbox"/> E-Mail <input type="checkbox"/> Memo <input type="checkbox"/> Other	Contacted by:	<input type="checkbox"/> Phone <input type="checkbox"/> E-mail <input type="checkbox"/> Memo <input type="checkbox"/> Other
Comments:	No Objection	Comments:	

Consultation with Divisions and/or Agencies

Division:	Corporate Real Estate Management	Division:	Financial Planning
Contact Name:	Alison Folosea	Contact Name:	Ciro Tarantino
Comments:	No Objection	Comments:	No Objection

Legal Services Division Contact

Contact Name:	Shirley Chow
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DAF Tracking No.: 2024-226	Date	Signature
Recommended by: Manager, Real Estate Services Niall Robertson	Sept. 13, 2024	Signed by Niall Robertson
Recommended by: Director, Real Estate Services Alison Folosea	Sept. 17, 2024	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input checked="" type="checkbox"/> Approved by: Patrick Matozzo	Sept. 23, 2024	Signed by Patrick Matozzo
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services David Jollimore		

Major Terms and Conditions

Landlord: City of Toronto

Tenant: Costco Wholesale Canada Ltd.

Leased Premises: Part of 9b Canadian Road, Toronto and part of the adjacent City-owned lands to the east of 9b Canadian Road, Toronto, being Parts 1, 2 and 3 on Plan 66R-30838, being approximately 63,107.73 square feet, as shown on Appendix "C".

Use: The Leased Premises shall continue be used only for a queuing line/driveway for the Tenant's gas bar located at the Warden Costco and as a parking lot for the Tenant's visitors and customers' non-commercial vehicles, to be used in connection with the Warden Costco, and ancillary landscaping and sidewalk extension (the "Use") and for no other purpose whatsoever

Renewal Term: Five (5) years, commencing August 26, 2024 and expiring August 25, 2029

Basic Rent:

Yearly Period	Basic Rent per Annum	Basic Rent per Month	HST Per Month	Total Base rent with HST Per Month
August 26, 2024 – August 25, 2025	\$337,000.00	\$28,083.33	\$3,650.83	\$31,734.16
August 26, 2025 – August 25, 2026	\$345,425.00	\$28,785.42	\$3,742.10	\$32,527.52
August 26, 2026 – August 25, 2027	\$354,060.63	\$29,505.05	\$3,835.66	\$33,340.71
August 26, 2027 – August 25, 2028	\$362,912.15	\$30,242.68	\$3,931.55	\$34,174.23
August 26, 2028 – August 25, 2029	\$371,984.95	\$30,998.75	\$4,029.84	\$35,028.59

All other existing terms and conditions in the Lease shall remain the same.



