

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

TRACKING NO.: 2024-077

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

Prepared By:	Wendy Pearson	Division:	Corporate Real Estate Management										
Date Prepared:	September 17, 2024	Phone No.:	647-629-6739										
Purpose	To obtain authority to enter into a licence agreement between the City of Toronto (the “ City ”) as Licensor and John Street Roundhouse Development Corp. (the “ Licensee ”) for signage rights on the façade of the historic Water Tower and a temporary access area for maintenance, located on part of City-owned park lands named “Roundhouse Park” (collectively the “ License Agreement ”).												
Property	Part of “Roundhouse Park”, municipally known as 255 Bremner Boulevard, Toronto (the “ Property ”), including lands around the water tower as shown on the Location Map in Appendix "B" and the sketch of the Licensed Premises in Appendix “C”. The “Premises” includes the signage rights to the Tenant and/or their sub-tenants.												
Actions	<ol style="list-style-type: none"> Authority be granted to enter into the Licence Agreement with the Licensee 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>Total revenues to the City are approximately \$2,804,338.10 plus HST. This includes \$1,198,115.21 plus HST for the initial 10-year term, and an estimated \$1,606,222.89 plus HST for the potential 10-year renewal term, subject to then current fair market value. Please see Appendix “A” Terms and Conditions for fee schedule.</p> <p>Revenues will be directed to the Council Approved Operating Budget for Economic Development and Culture re The Railway Museum for the next ten (10) years, under cost centre code AH0116, FAC 1570100000.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>												
Comments	<p>AC 6(39), adopted by City Council in Sept. 2006 and GM19.8, adopted by City Council in Dec. 2002 authorized a long term lease dated May 1, 2007 between the City (as head landlord) with the Licensee (as head tenant), as amended by a Lease Amending Agreement also dated May 1, 2007, and a City as Landlord Acknowledgment dated November 25, 2009 (collectively the “Head Lease”), for part of the Property comprising Bays 1 to 32 of the John Street Roundhouse building.</p> <p>AC6(39) also authorized a licence agreement between the City and Steam Whistle Brewing Inc., a subtenant of the Property, for use of the Water Tower for its corporate logo from May 1, 2007 to April 30, 2012. By an arrangement with Economic, Development and Culture, the Licensee continued use of the Water Tower for Steam Whistle’s corporate logo. The Licensee has requested a new Licence Agreement for use of the Water Tower for signage.</p> <p>City staff consider the base license fee and major terms and conditions of the Licence Agreement to be fair, reasonable and reflective of market rates, as confirmed by Appraisal Services</p>												
Terms	Terms and conditions set out in Appendix “A”												
Property Details	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Ward:</td> <td>Ward 10 – Spadina/Fort York</td> </tr> <tr> <td>Assessment Roll No.:</td> <td>1904062060001000000</td> </tr> <tr> <td>Approximate Size:</td> <td>Irregular</td> </tr> <tr> <td>Approximate Area:</td> <td>N/A</td> </tr> <tr> <td>Other Information:</td> <td>N/A</td> </tr> </table>			Ward:	Ward 10 – Spadina/Fort York	Assessment Roll No.:	1904062060001000000	Approximate Size:	Irregular	Approximate Area:	N/A	Other Information:	N/A
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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:	Ausma Malik	Councillor:	
Contact Name:	Nora Cole, Chief of Staff	Contact Name:	
Contacted by:	Phone <input type="checkbox"/> X <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:	No objections	Comments:	

Consultation with Divisions and/or Agencies

Division:	Economic Development and Culture	Division:	Financial Planning
Contact Name:	Jo Ann Pynn	Contact Name:	Ciro Tarantino
Comments:	Consulted	Comments:	Consulted

Legal Services Division Contact

Contact Name:	Soo Kim Lee
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DAF Tracking No.: 2024-077	Date	Signature
Recommended by: Manager, Real Estate Services Jennifer Kowalski	Sept. 18, 2024	Signed by Jennifer Kowalski
Recommended by: Director, Real Estate Services Alison Folosea	Sept. 19, 2024	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	Sept. 19, 2024	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Patrick Matozzo		

Appendix "A" – Term Sheet

Licensor:	City of Toronto
Licensee:	John Street Roundhouse Development Corp.
Licensed Premises:	The façade of the existing historic water tower (the "Water Tower") located in Roundhouse Park as shown on the Sketch of the Licensed Premise as shown in Appendix "C"; and the non-exclusive use, together with all others entitled thereto, of an area surrounding the Water Tower for temporary access purposes (the "Temporary Access Area") of approximately <u>11,300 square feet</u> as shown on Appendix "C", for the purpose of maintenance
Term:	Ten (10) years commencing May 1, 2024 (the "Commencement Date") and expiring on April 30, 2034.
Fixturing Period:	Three (3) months commencing May 1, 2024 to July 31, 2024. During the Fixturing Period, all the terms and conditions of the Licence Agreement shall apply.
Extension option:	Ten (10) years, on the same terms and conditions, except that the Base Fee payable shall be the then fair market value.
Permitted Use:	Premises shall be used for the purposes of undertaking a historically sensitive cleaning and painting of the Water Tower and displaying non-illuminated corporate logo or corporate signage on the façade of the Water Tower.

Base Licence Fee Breakdown:

Term	Monthly Licence Fee	Annual Licence Fee
Year 1: Fixturing Period (initial three months)	\$5,712.15	\$17,136.45
Year 1: Remaining nine months	\$7,637.04	\$68,733.33
Year 2: 2025-2026	\$8,294.44	\$99,533.33
Year 3: 2026-2027	\$8,533.61	\$102,403.33
Year 4: 2027-2028	\$10,050.98	\$120,611.75
Year 5: 2028-2029	\$10,302.25	\$123,627.04
Year 6: 2029-2030	\$10,559.81	\$126,717.72
Year 7: 2030-2031	\$10,823.81	\$129,885.66
Year 8: 2031-2032	\$11,094.40	\$133,132.80
Year 9: 2032-2033	\$11,371.76	\$136,461.12
Year 10: 2033-2034	\$11,656.05	\$139,872.65
Total Net Revenue for initial 10 year term		\$1,198,115.21
Potential renewal term estimated to continue at 2.5% escalation per annum		

Net Licence:	The Licence Agreement shall be completely net and carefree to the City, and all expenses, costs, charges, and fees relating to or incidental to the agreement shall be at the Licensee's sole cost, except as otherwise set out.
Replacement Vent Cap Work:	Licensee shall cause to be completed, the "fabrication, supply and installation of a replacement cast collar and vent cap, and recoating the membrane at the top of the tank", in accordance with scope of work from Facet Group Inc. dated July 31, 2024. If receipt is provided to the City confirming completion and payment of work in full, the Licensee shall be reimbursed by reduction of the License Fee for three (3) years, as set out above.
Insurance:	Coverage for legal liability for injury or property damage in the amount of Two Million Dollars (\$2,000,000.00) per occurrence, or such other amounts as the City may require from time to time.
Release and Indemnity:	The Licensee releases and shall at all times indemnify and save harmless the City's representatives of and from any and all manner of claims made or brought against, suffered by or imposed on the City's Representatives, in respect of any loss, damage or injury (including property damage, personal injury, bodily injury and death) to any person or property, directly or indirectly with respect to the Licensed Premises.
Early Termination:	Licensee has right to terminate, if the subleases of the Roundhouse Building expire, or are terminated, provided Licensee as sublandlord not in default of the subleases.

Appendix “B” – Location Map

Municipal Address: 255 Bremner Boulevard (“John Street Roundhouse”), Toronto, Ontario



Water Tower Premises



“C” – Sketch of Licensed Premises

