

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

**TRACKING NO.: 2024-196**  
**CONFIDENTIAL ATTACHMENT**

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

Prepared By:	Miles Argue	Division:	Corporate Real Estate Management										
Date Prepared:	December 11, 2024	Phone No.:	416-397-7522										
<b>Purpose</b>	To obtain authority to enter into a lease amending agreement (the "Agreement") with 2389807 Ontario Inc., Miller Tavern Inc., and Pegasus Group Inc. (collectively, the "Tenant") with respect to the property municipally known as 3885 Yonge Street, Toronto, for the purpose of amending a lease dated July 1, 2002, as amended from time to time (the "Lease") by incorporating the terms of a rent arrears repayment plan into the terms of conditions of the Lease.												
<b>Property</b>	The property municipally known as 3885 Yonge Street, Toronto, legally described as Lots 11 and 12 and parts of Lots 4, 5, 13 & 14 on Plan 246 and Part of Lot 10, Con 1 EYS, designated as Parts 1, 2 & 3 on Plan 66R-17739, City of Toronto, being part of PIN 10537-0029 (the "Property"), as shown on the Location Map in Appendix "B".												
<b>Actions</b>	<ol style="list-style-type: none"> <li>Authority be granted to enter into the Agreement with the Tenant, substantially on the major terms and conditions set out in Appendix "B", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.</li> <li>The Executive Director, Corporate Real Estate Management direct that the confidential information contained in the confidential attachment hereto (the "Confidential Attachment") remain confidential for 21 years, as it contains sensitive financial and market information related to a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the City.</li> <li></li> </ol>												
<b>Financial Impact</b>	<p>The repayment plan is being implemented to assist with AR (accounts receivable) collections. Funds will be deposited under CREM into cost centre FA2173. Please see the Comments section for further details.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>												
<b>Comments</b>	<p>On September 24, 2001, Real Estate Services staff, in consultation with the Economic Development, Culture and Tourism Division, issued a Request for Proposals for the lease of the Property. Pegasus Group Inc. was chosen as the preferred proponent by City Council at its meeting of December 4, 5 and 6, 2001. Pegasus Group Inc. entered into a twenty-year lease with the City in 2002, which commenced on November 11, 2003 and expired on November 30th, 2023.</p> <p>For specific details as to the major terms and conditions of the Lease, please see the Confidential Attachment</p> <p>The Lease was assigned by Pegasus to Miller Tavern Inc. by an Assignment of Lease and Landlord's Consent made as of December 31, 2008, and further assigned to 2389807 Ontario Inc. with the provisos that neither Pegasus Group Inc. nor Miller Tavern Inc. shall be released from their obligations contained in the Lease.</p> <p>The Lease was further amended by a Lease Amending Agreement made as of the 1st day of January 2019.</p> <p>The Tenant sent an undated notice to the City of its intent to renew the lease, which is not valid, as the tenant is not in good standing, due to arrears in rental payments. The Tenant is in default and the City will not agree to renew the lease before the arrears have been paid. The Tenant and the City have negotiated a repayment plan which includes payment of interest in accordance with the Lease, the terms to be set out in the Agreement hereby authorized. See Appendix "A" for details.</p> <p>The proposed rent repayment plan and other major terms and conditions of the Agreement are considered to be fair, reasonable and reflective of market rates.</p>												
<b>Terms</b>	See Appendix "A"												
<b>Property Details</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;"><b>Ward:</b></td> <td>Don Valley West (15)</td> </tr> <tr> <td><b>Assessment Roll No.:</b></td> <td>1908 08 1 490 001000000</td> </tr> <tr> <td><b>Approximate Size:</b></td> <td>irregular</td> </tr> <tr> <td><b>Approximate Area:</b></td> <td>1,336 m<sup>2</sup> ± (14,390 ft<sup>2</sup> ±)</td> </tr> <tr> <td><b>Other Information:</b></td> <td></td> </tr> </table>			<b>Ward:</b>	Don Valley West (15)	<b>Assessment Roll No.:</b>	1908 08 1 490 001000000	<b>Approximate Size:</b>	irregular	<b>Approximate Area:</b>	1,336 m <sup>2</sup> ± (14,390 ft <sup>2</sup> ±)	<b>Other Information:</b>	
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<b>Other Information:</b>													

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/REOIs:</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 &amp; Parks &amp; 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><b>Request/waive hearings of necessity delegated to less senior positions.</b></p> <p><input type="checkbox"/> Issuance of RFPs/REOIs.</p> <p><input type="checkbox"/> Initiate process &amp; 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><b>Delegated to a more senior position.</b></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><b>Request/waive hearings of necessity delegated to less senior positions.</b></p> <p><input type="checkbox"/> Issuance of RFPs/REOIs.</p> <p><input type="checkbox"/> Initiate process &amp; 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:	Rachel Chernos Lin	Councillor:	
Contact Name:	Rachel Van Fraassen	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 objections	Comments:	

**Consultation with Divisions and/or Agencies**

Division:	■	Division:	Financial Planning
Contact Name:	■	Contact Name:	Ciro Tarantino
Comments:	■	Comments:	Concurs

**Legal Services Division Contact**

Contact Name: **Soo Kim Lee, Solicitor**

DAF Tracking No.: 2024-196	Signature
Recommended by: Manager, Real Estate Services Niall Robertson	Signed by Niall Robertson on December 13, 2024
Recommended by: Director, Real Estate Services Alison Folosea	Signed by Alison Folosea on December 19, 2024
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input checked="" type="checkbox"/> Approved by: Patrick Matozzo	Signed by Patrick Matozzo on December 20, 2024
<input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services David Jollimore	

## **Appendix "A"**

### **Major Terms and Conditions**

#### **Lease Amending Agreement:**

An agreement amending a Lease dated July 1, 2002 between City of Toronto as landlord and Pegasus Group Inc. as tenant ("Pegasus"); amended by Lease Amending Agreement made as of August 1, 2003; assigned by Pegasus to Miller Tavern Inc. ("Miller") by an Assignment of Lease and Landlord's Consent made as of December 31, 2008 with the proviso that Pegasus shall not be released from lease obligations; assigned by Miller to 2389807 Ontario Inc. (the "Tenant") by an Assignment of Lease and Landlord's Consent made as of January 1, 2014, with the proviso that Pegasus and Miller shall not be released from lease obligations (collectively the "Lease")

#### **Estimated Basic Rent:**

In accordance with the Lease. See Confidential Attachment.

#### **Estimated Quarterly % Rent:**

In accordance with the Lease. See Confidential Attachment.

#### **Arrears and Late Payment Charges and Interest:**

In accordance with the Lease. See Confidential Attachment.

#### **Repayment Plan Details:**

Negotiated to the satisfaction of the Executive Director, Corporate Real Estate Management. See Confidential Attachment.

#### **Audited Report:**

Tenant must deliver a certified, audited statement of Gross Revenue to the City, forthwith.

Appendix "B"

Location Map

