

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

TRACKING NO.: 2024-197

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

Prepared By:	Loredana Benjung	Division:	Corporate Real Estate Management										
Date Prepared:	October 3, 2024	Phone No.:	416 397-4093										
Purpose	To obtain authority to enter into a lease extension and amending agreement (the "Extension Agreement") with His Majesty the King in Right of Ontario as represented by the Minister of Infrastructure (the "Tenant") for leased premises located at part of the property municipally known as Union Station located at 65 Front Street West, Toronto to extend the term of the original lease for an additional five years from September 1, 2024 to August 31, 2029 (the "Extension Term") for the Tenant's continued use as a tourism office.												
Property	Part of the property municipally known as 65 Front Street West, Toronto. The leased premises are located on the First Floor, West Wing, of Union Station as shown on the location maps attached as Appendix "B".												
Actions	1. Authority be granted to enter into the Extension 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 City will receive compensation of \$326,764.35 annually (exclusive of HST) for the Extension Term for a total of \$1,633,821.76 (exclusive of HST). The City will receive an additional estimated amount of \$543,775.28 (exclusive of HST) for the Extension Term.</p> <p>Should the Tenant exercise its second option to extend the term of the Lease (as defined below), the City will receive compensation estimated to be approximately \$1,797,209 (exclusive of HST) and an additional estimated amount of \$689,796.27 (exclusive of HST).</p> <p>The revenue will be directed to 2024-2029 Operating Budget for Corporate Real Estate Management under cost centre FA3078 and GL8620.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>												
Comments	<p>By a lease agreement dated September 1, 2014 (the "Lease"), the Tenant leased the Leased Premises from the City for use as a tourism office. The Lease was authorized by City Council, with the adoption of Item No. EX33.44, titled "Union Station Revitalization Implementation and Head Lessee Section", on August 5 and 6, 2009, and by GL1.6 titled "Grant of Exemption from Late Payment Fees – Tourism Space at Union Station" adopted by City Council on January 30 and 31, 2019, which exempted the Tenant from late fee payment fees.</p> <p>The term of the Lease was for ten years, with two options to renew for five years each. The Tenant has exercised its first option to renew the Lease for a five-year term commencing on September 1, 2024, and expiring on August 31, 2029.</p> <p>The proposed rental rate and other major terms and conditions of the Extension Agreement are considered to be fair, reasonable and reflective of market rates.</p>												
Terms	See Appendix "A"												
Property Details	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Ward: 10</td> <td>Ward 10 – Spadina - Fort York</td> </tr> <tr> <td>Assessment Roll No.:</td> <td></td> </tr> <tr> <td>Approximate Size:</td> <td>N/A</td> </tr> <tr> <td>Approximate Area:</td> <td>2,366.7 square feet of leasable area</td> </tr> <tr> <td>Other Information:</td> <td>N/A</td> </tr> </table>			Ward: 10	Ward 10 – Spadina - Fort York	Assessment Roll No.:		Approximate Size:	N/A	Approximate Area:	2,366.7 square feet of leasable area	Other Information:	N/A
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Other Information:	N/A												

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 checked="" 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; 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:	Deputy Mayor Malik										Councillor:												
Contact Name:	Tom Davidson										Contact Name:												
Contacted by:		Phone	X	E-Mail			Memo			Other	Contacted by:			Phone			E-mail			Memo			Other
Comments:	Advised										Comments:												

Consultation with Divisions and/or Agencies

Division:	Not applicable					Division:	Financial Planning				
Contact Name:	Not applicable					Contact Name:	Ciro Tarantino/Karen Liu				
Comments:	Not applicable					Comments:	Revisions Incorporated				

Legal Services Division Contact

Contact Name:	Jacquie Kiggundu										
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DAF Tracking No.: 2024-197	Signature
Recommended by: Manager, Property Management Services Diane Silver	Signed by Diane Silver
Recommended by: Director, Property Management & Key Assets Scott Barrett	Signed by Scott Barrett
<div><input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management</div> <div><input checked="" type="checkbox"/> Approved by: Patrick Matozzo</div>	Signed by Patrick Matozzo
<div><input type="checkbox"/> Approved by: Deputy City Manager, Corporate Services David Jollimore</div>	X

Appendix "A"

Major Terms and Conditions

1. **Extension Term:** Five years commencing on September 1, 2024, and ending on August 31, 2029.
2. **Lease Fee:** The City will receive compensation of \$326,764.35 (exclusive of HST) annually, and \$27,230.36 (exclusive of HST) monthly for the Extension Term for a total of \$1,633,821.76 (exclusive of HST). The City will receive an additional estimated* amount of \$543,775.28 (exclusive of HST) adjusted annually based on actual costs for the duration of the term. The compensation is payable monthly on the first of the month.

*Estimated Additional amount:

September 1, 2024, to December 31, 2024 - \$34,372.73 (exclusive of HST).

January 1, 2025, to December 31, 2025 - \$105,178.43 (exclusive of HST).

January 1, 2026, to December 31, 2026 - \$105,178.43 (exclusive of HST).

January 1, 2027, to December 31, 2027 - \$105,178.43 (exclusive of HST).

January 1, 2028, to December 31, 2028 - \$105,178.43 (exclusive of HST).

January 1, 2029, to August 31, 2029 - \$75,899.01 (exclusive of HST).

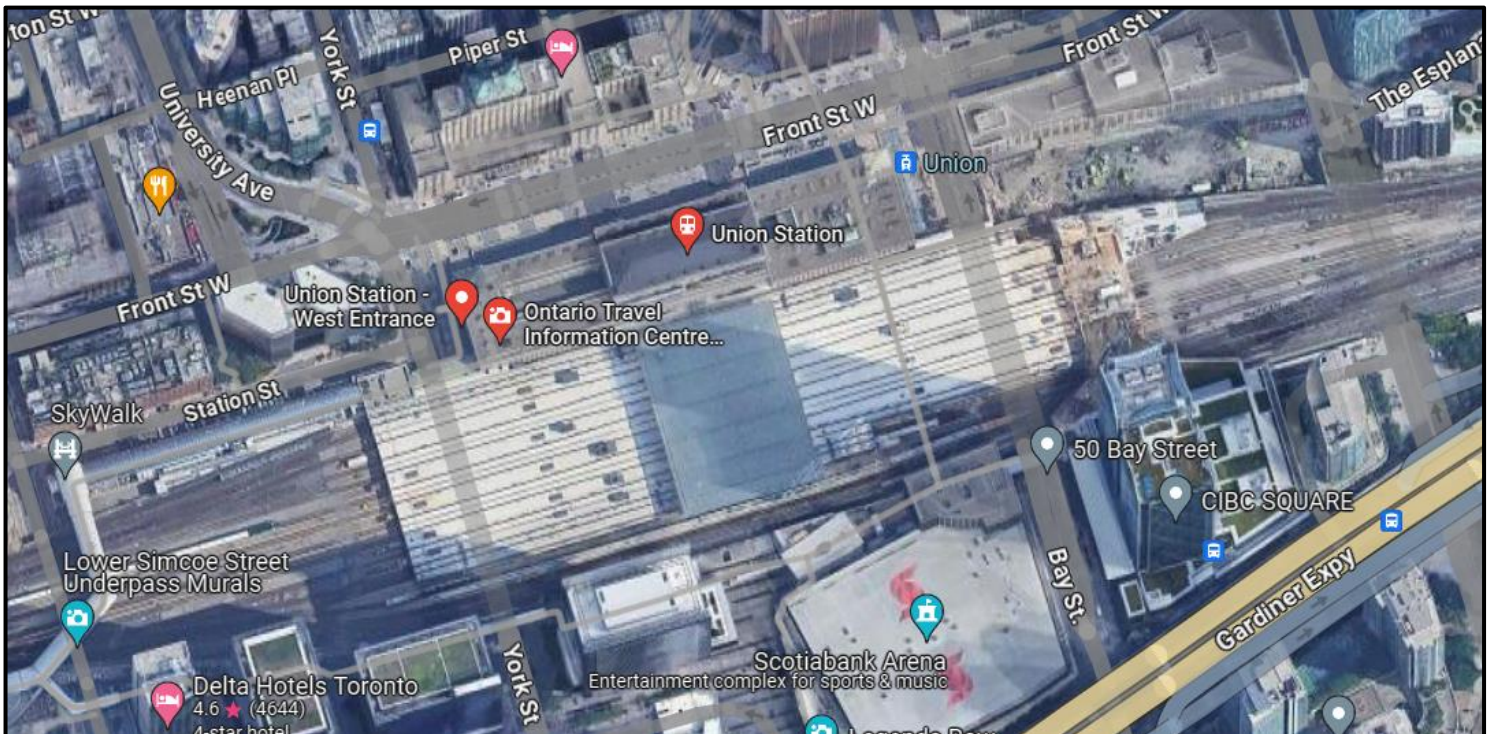
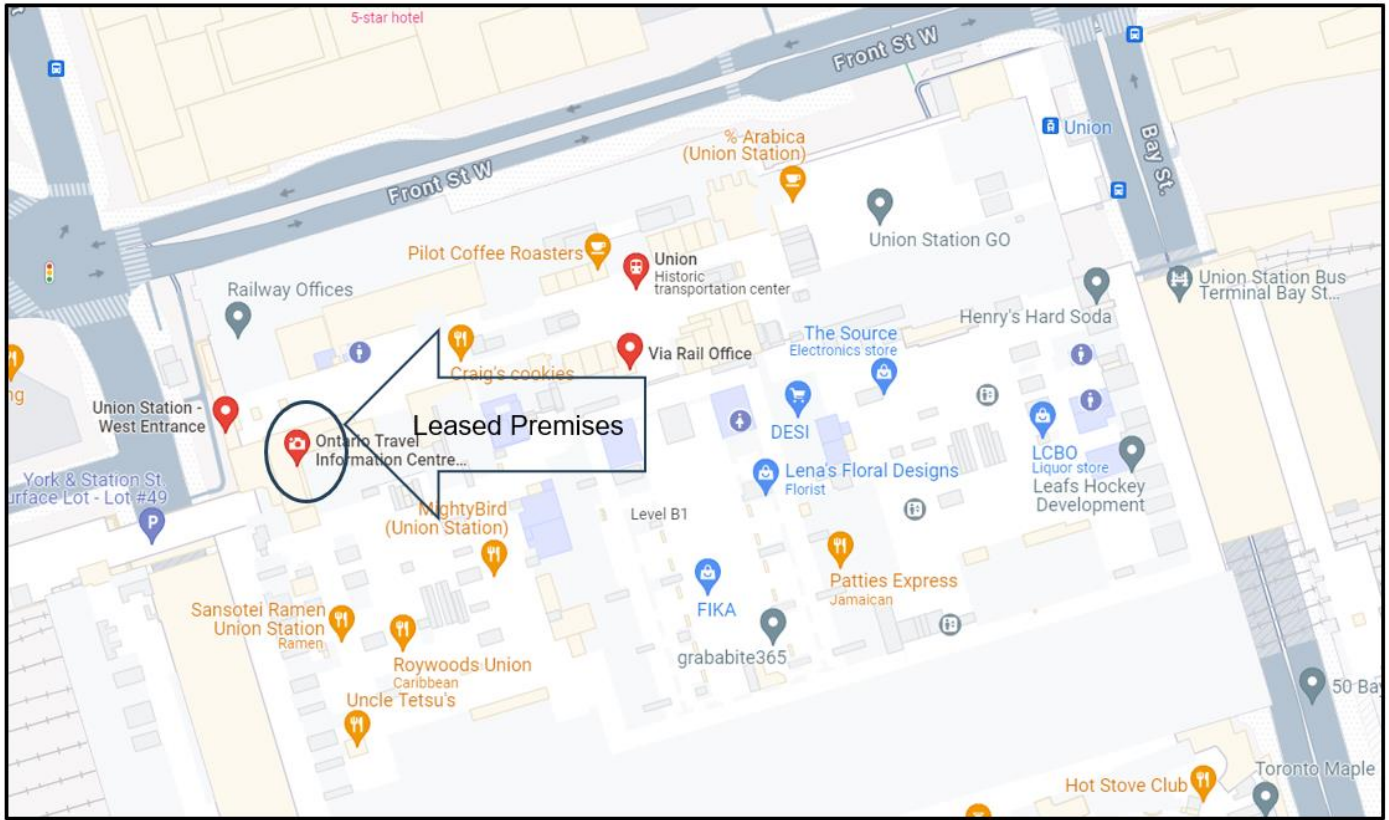
3. **Leased Premises:** 2,366.09 square feet shown as the "Leased Premises" on the plan attached hereto as Appendix "C".
4. **Option to Renew:** The Tenant has one additional option to extend the term for five years.
5. **Early Termination:** One year after the date on which the Landlord or Tenant's Termination Notice is given.
6. **Notice:**

The City and Tenant have agreed to send Notices:

- by prepaid registered mail and such Notices shall be conclusively deemed to have been given on the fifth (5th) Business Day after the day of such mailing.
- by prepaid courier, or by facsimile, or by email and such Notices shall be conclusively deemed to have been given and received at the time of such delivery during normal business hours or on the next Business Day following if delivered outside of normal business hours in Ontario.
- by prepaid courier or by registered mail postage prepaid relating to a default by the Tenant, and such copy may be delivered by email or facsimile. Delivery by email or facsimile alone will not be considered sufficient notice for defaults.

Appendix "B"

Location Map



Appendix "C"

Tenant Lease Area

