

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

TRACKING NO.: 2024-133

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

Prepared By:	Sami Aljundi	Division:	Corporate Real Estate Management
Date Prepared:	August 16, 2024	Phone No.:	416 338 4862
Purpose	To obtain authority to enter into a lease amending agreement with Kinectrics Inc. (the "Tenant") with respect to the property municipally known as 800 Kipling Ave., Toronto for the purpose of reducing leased and licensed areas.		
Property	The property is municipally known as 760, 780 and 830 Kipling Ave and officially known as 800 Kipling Ave, City of Toronto (collectively, the "Properties") as shown on the Location Map in Appendix "B".		
Actions	<ol style="list-style-type: none"> Authority be granted to enter into the lease amendment 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 total reduction of revenue to the City for the Agreement over the five-year step-up and with another 5 renewal option is estimated to be \$1,125,514.6 (plus HST), or \$1,145,323.66 (net of HST recovery).</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>On July 19, 2022, via 2022.EX34.25, City Council authorized to execute an amendment to the agreement of purchase and sale, and any additional or ancillary agreements or amendments thereto required for the acquisition of the property.</p> <ol style="list-style-type: none"> Effective January 1st, 2024, Kinectrics vacated a portion of their Leased Premises in building KD, totaling 1309 square. Effective June 1st, 2024, Kinectrics amended the Licensed Area as follows: <ol style="list-style-type: none"> Surrendered Area 12 Outdoor Storage, 2,784 SF (South Side, just west of G16 Building along the gate) Surrendered Area 20 Outdoor Storage, 400 SF (North Side, between KL and KT Buildings) Surrendered Area 22 Outdoor Storage, 7,480 SF (South Side, between G16 and KB Buildings) Reduced Area 8 Outdoor Storage from 11,180 SF (North Side) to 2,000 square feet. Effective August 1st, 2024, Kinectrics surrendered Licensed Area 1 Outdoor Storage, or 9,460 SF (North Side). <p>The Licensed Area will be reduced from 72,445 square feet to 43,141 square feet, a decrease of 29,304 square feet.</p> <p>The Original lease with OPG states: "The Tenant may terminate the license for one or more of the Licensed Areas, at no cost to the Tenant, upon providing a minimum of three (3) months' prior written notice to the Landlord." Sufficient notice was provided for the surrender or reduction of all of the areas above.</p>		
Terms	See Appendix "A" (revised rent schedule).		
Property Details	Ward:	3 – Etobicoke-Lakeshore	
	Assessment Roll No.:		
	Approximate Size:		
	Approximate Area:	Office Space 17,455 square feet & Outdoor Area 43,141.25 square feet	
	Other Information:		

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:	Amber Morley	Councillor:	
Contact Name:	Lisa Brody Hoffman	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:	Toronto Transit Commission	Division:	Financial Planning
Contact Name:	Mike Cernik	Contact Name:	Ciro Tarantino
Comments:	No Objection	Comments:	No Objection

Legal Services Division Contact

Contact Name:	Amna Shakil
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DAF Tracking No.: 2024-133	Date	Signature
Recommended by: Manager, Real Estate Services Niall Robertson	August 16, 2024	Signed by Niall Robertson
Recommended by: Director, Real Estate Services Alison Folosea	January 20, 2025	Signed by Alison Folosea
<input type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management	January 20, 2025	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Patrick Matozzo		
<input type="checkbox"/> Approved by:		

Appendix "A"

Revised Rent Schedule

Office Area Gross Rent
Schedule:

				Effective: Jan 1, 2024	
Lease Year	Gross Rent/ Sq. Ft	Sq. Ft.	Annual Gross Rent	Revised Sq. Ft.	Revised Gross Rent
Year 1 Rent (Nov 1-22 to Oct 31- 2023)	\$23.75	18,764	\$445,645.00		\$445,645.00
Year 2 Rent (Nov 1-23 to Dec 31- 2023)	\$24.28	18,764	\$75,931.65		\$75,931.65
Year 2 Rent (Jan 1-24 to Oct 31- 2024)	\$24.28	18,764	\$379,658.27	17,455	\$353,172.83
Year 3 Rent (Nov 1-24 to Oct 31- 2025)	\$24.83	18,764	\$465,910.12	17,455	\$433,407.65
Year 4 Rent (Nov 1-25 to Oct 31- 2026)	\$25.39	18,764	\$476,417.96	17,455	\$443,182.45
Year 5 Rent (Nov 1-26 to Oct 31- 2027)	\$25.96	18,764	\$487,113.44	17,455	\$453,131.80

Outdoor Area Gross Rent
Schedule:

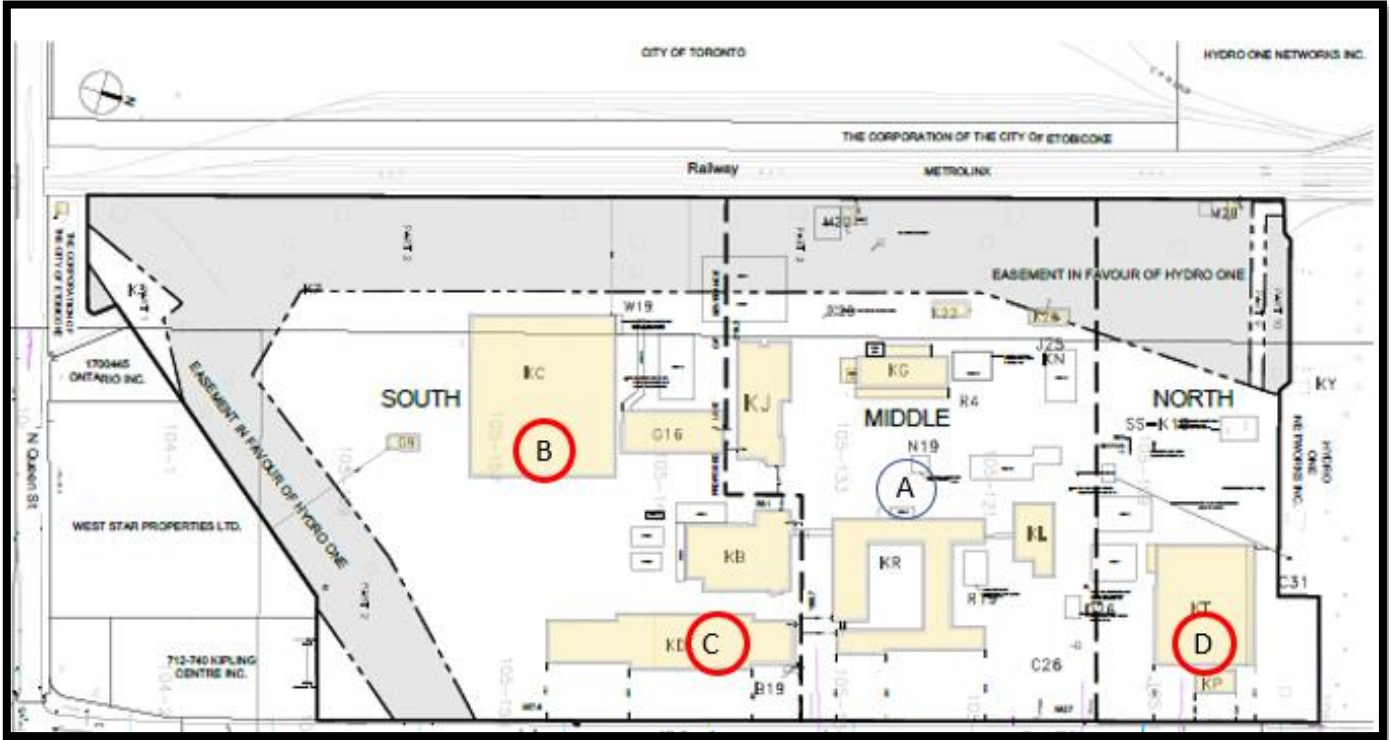
				Effective: May 30, 2024	
Lease Year	Gross Rent/ Sq. Ft	Sq. Ft.	Annual Gross Rent	Revised Sq. Ft.	Revised Gross Rent
Year 1 Rent (Nov 1-22 to Oct 31- 2023)	\$2.82	72,445	\$204,295.61		\$204,295.61
Year 2 Rent (Nov 1-23 to May 30- 2024)	\$2.88	72,445	\$121,708.02		\$121,708.02
Year 2 Rent (May 30- 2024 to Oct 31- 2024)	\$2.88	72,445	\$86,934.30	43,141	\$56,310.30
Year 3 Rent (Nov 1-24 to Oct 31- 2025)	\$2.95	72,445	\$213,713.49	43,141	\$127,266.69
Year 4 Rent (Nov 1-25 to Oct 31- 2026)	\$3.01	72,445	\$218,060.20	43,141	\$129,855.16
Year 5 Rent (Nov 1-26 to Oct 31- 2027)	\$3.08	72,445	\$223,131.37	43,141	\$132,875.05

Appendix "B"

Location Map



Site Map



A	Address Point	800 Kipling
B	City South Parcel	760 Kipling
C	City South Parcel	780 Kipling
D	City North Parcel	830 Kipling

MAP OF THE LICENSED AREAS

