

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

Prepared By:	Lianne Chen	Division:	Corporate Real Estate Management
Date Prepared:	January 20, 2026	Phone No.:	416-392-7665

<b>Purpose</b>	To obtain authority to enter into a lease extension and amending agreement (the " <b>Lease Extension Agreement</b> ") with 1856459 Ontario Inc. operating as Discover (Canada) Video Tech (the " <b>Tenant</b> ") with respect to the property municipally known as 705 Progress Avenue, Unit 3B, Toronto (the " <b>Premises</b> "), for warehousing and wholesale distribution activities.
<b>Property</b>	Part of the property municipally known as 705 Progress Avenue, Toronto, as shown on the location map and premises sketches attached in Appendix " <b>B</b> " (the " <b>Property</b> "), comprising of approximately 1,998 square feet and known as Unit 3B.
<b>Actions</b>	1. Authority be granted to enter into a three (3) year Lease Extension Agreement with the Tenant, substantially on the major terms and conditions set out in Appendix " <b>A</b> ", and including such other amended terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor.
<b>Financial Impact</b>	<p>705 Progress Avenue is a facility jointly owned by the City of Toronto (the "<b>City</b>") and the Toronto District School Board (collectively, the "<b>Landlord</b>"), with the net revenue collected being divided equally between the parties. The City's portion of total revenues is \$44,955.00 (plus HST), based on the total minimum rent of \$89,910.00 (plus HST), for the period of thirty-six (36) months commencing March 1, 2026, and ending February 28, 2029, as per the table below. The City's net revenue will be transferred to the dedicated parkland reserve fund (5% and 2% Land Acquisition Reserve Fund Scarborough - XR2007) less the management fee to be directed to the Operating Budget for Corporate Real Estate Management ("<b>CREM</b>"), under cost center FA1378.</p> <p>2026: \$24,142.50 (plus HST)                  2027: \$29,803.50 (plus HST)                  2028: \$30,802.50 (plus HST)                  2029: \$5,161.50 (plus HST)  <b>Total: \$89,910.00 (plus HST)</b></p> <p>The Tenant is responsible for the proportionate share of realty taxes, building insurance and maintenance, as well as all other operating costs of the building, including water, gas, hydro, heating and air conditioning. The Chief Financial Officer and Treasurer has reviewed this Delegated Approval Form ("DAF") and agrees with the financial impact information.</p>
<b>Comments</b>	<p>By a lease agreement dated February 15, 2023 (the "<b>Lease</b>"), the Landlord leased the Premises to the Tenant for a term of three (3) years, commencing on March 1, 2023, and ending February 28, 2026. (see DAF No.2023-038). Authority is now being sought to extend the term of the lease for a further period of three (3) years and to amend certain terms of the Lease.</p> <p>705 Progress Avenue is an industrial mall type property consisting of approximately 156,000 square feet acquired in August 1996 by the former City of Scarborough in partnership with the former Scarborough Board of Education (the "<b>Board</b>"). Pending development of the property as a future park and a school facility, it was decided to continue leasing the units to multiple tenants. The former City of Scarborough and the Board entered into an Operating Agreement dated January 2, 1997, which provided that the City, in consultation with the Board, would engage a property manager (currently Compass Commercial Realty LP) and enter into a management agreement under which the City and the property manager would be responsible for the day-to-day operations of the Property.</p> <p>The proposed minimum rent and other major terms and conditions of the Lease Extension Agreement are considered to be fair, reasonable and reflective of market rates.</p>
<b>Terms</b>	See Appendix " <b>A</b> ".

<b>Property Details</b>	<b>Ward:</b>	24-Scarborough Guildwood
	<b>Assessment Roll No.:</b>	Part of 1901-05-2-810-04300
	<b>Approximate Size:</b>	N/A
	<b>Approximate Area:</b>	1,998 sq. ft.
	<b>Other Information:</b>	N/A

A.	Manager, Real Estate Services has approval authority for:	Director, Real Estate 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 &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 \$50,000.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$50,000.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to more senior positions.</b></p> <p><input checked="" type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding three (3) months, including licences for environmental assessments and/or testing, etc.</p> <p><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$50,000.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to more senior positions.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$50,000.</p> <p><b>Delegated to more senior positions.</b></p> <p><b>Delegated to more senior positions.</b></p>	<p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.</p> <p><input type="checkbox"/> (b) Request Hearings of Necessity.</p> <p><input type="checkbox"/> (c) Waive Hearings of Necessity.</p> <p><input type="checkbox"/> Issuance of RFPs/REOs.</p> <p><input type="checkbox"/> Initiate process &amp; authorize GM, Transportation Services to give notice of proposed by-law.</p> <p><b>Delegated to more senior positions.</b></p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 Million.</p> <p><input type="checkbox"/> Where total compensation does not exceed \$1 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 \$1 Million.</p> <p><input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding six (6) months, including licences for environmental assessments and/or testing, etc.</p> <p><b>Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.</b></p> <p><input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.</p> <p><input type="checkbox"/> (a) Where total compensation does not exceed \$1 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 \$1 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>B. Director, Real Estate Services and Manager, Real Estate Services each has signing authority on behalf of the City for:</b>
<ul style="list-style-type: none"> <li>Documents required to implement matters for which each position also has delegated approval authority.</li> <li>Expropriation Applications and Notices following Council approval of expropriation (Managers whose position includes responsibility for implementing Council-approved expropriations are the only Managers with such signing authority).</li> </ul>
<b>Director, Real Estate Services also has signing authority on behalf of the City for:</b>
<ul style="list-style-type: none"> <li>Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.</li> <li>Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents.</li> </ul>

<b>Pre-Condition to Approval</b>			
<input checked="" type="checkbox"/> Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property			
<b>Consultation with Councillor(s)</b>			
Councillor:	Paul Ainslie	Councillor:	
Contact Name:	Bushra Alam	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:	
<b>Consultation with Divisions and/or Agencies</b>			
Division:	CreateTO/ Parks & Recreation	Division:	<b>Financial Planning</b>
Contact Name:	Kevin D'Souza/Kirsten Stein	Contact Name:	Karen Liu
Comments:	No objections	Comments:	No objections
<b>Legal Services Division Contact</b>			
Contact Name:	Douglas LaForce		

DAF Tracking No.: 2026-045	Date	Signature
Concurred with by: Manager, Real Estate Services Leila Valenzuela	19-FEB-2026	Signed by Leila Valenzuela
<input type="checkbox"/> Recommended by: Manager, Real Estate Services Eric Allen	19-FEB-2026	Signed by Eric Allen
<input checked="" type="checkbox"/> Approved by:		
<input type="checkbox"/> Approved by: Director, Real Estate Services		

## Appendix "A"

### Major Terms and Conditions

<b>Term:</b>	Three (3) years. March 1, 2026 – February 28, 2029						
<b>Minimum Rent:</b>	<table border="0" style="margin-left: 20px;"> <tr> <td>Months 1-12</td> <td>\$28,971.00 net of HST (\$14.50/ft<sup>2</sup>)</td> </tr> <tr> <td>Months 13-24</td> <td>\$29,970.00 net of HST (\$15.00/ft<sup>2</sup>)</td> </tr> <tr> <td>Months 25-36</td> <td>\$30,969.00 net of HST (\$15.50/ft<sup>2</sup>)</td> </tr> </table>	Months 1-12	\$28,971.00 net of HST (\$14.50/ft <sup>2</sup> )	Months 13-24	\$29,970.00 net of HST (\$15.00/ft <sup>2</sup> )	Months 25-36	\$30,969.00 net of HST (\$15.50/ft <sup>2</sup> )
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Months 13-24	\$29,970.00 net of HST (\$15.00/ft <sup>2</sup> )						
Months 25-36	\$30,969.00 net of HST (\$15.50/ft <sup>2</sup> )						
<b>Additional Rent:</b>	Estimated \$10,606.05 for 2026, plus any applicable taxes based on the 2026 operating cost rate of \$6.37/ ft <sup>2</sup>						
<b>Prepaid Rent:</b>	Last Month Rent = \$4,114.74 (\$15.50+\$6.37) x 1,998 SF/12 +HST)						
<b>Security Deposit:</b>	\$4,114.74 (\$15.50+\$6.37) x 1,998 SF/12 +HST)						
<b>Permitted Use:</b>	Wholesale and distribution of security equipment						
<b>Leasable Area:</b>	Approximately 1,998 ft <sup>2</sup>						
<b>Option to Extend:</b>	None						
<b>Landlord's Early Termination:</b>	Upon three (3) months' written notice						
<b>Parking:</b>	Two (2) vehicles (a trailer on its own will count as one (1) vehicle) at the rear door which belongs to the Premises, or as designated by the Landlord						

All other major terms and conditions in the Lease shall remain the same

Appendix "B"

Location Map & Floor Plan



