# DELEGATED APPROVAL FORM
## DIRECTOR, REAL ESTATE SERVICES
## MANAGER, REAL ESTATE SERVICES

**TRACKING NO.: 2026-211**

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

| | | | |
|---|---|---|---|
| Prepared By: | Sheetal Ramkhelawon | Division: | Corporate Real Estate Management |
| Date Prepared: | June 10, 2026 | Phone No.: | 416-937-7561 |

**Purpose**

To obtain authority to enter into a lease agreement with Tecolote Market Inc. (the "Tenant") with respect to the property municipally known as 93 Front Street East, Store No. LL30, Toronto for the purpose of a Hispanic grocer and eatery (the "Lease Agreement") and an indemnity agreement with Elia Del Carmen Regalado Herrera (the “Indemnifier”) in favour of the City (“the “Indemnity Agreement”).

**Property**

The property municipally known as South St. Lawrence Market, Toronto, located at 91-95 Front St. E., City of Toronto, ON M53 1C3, Store No. LL30 (the "Leased Premises"), comprising approximately 613.25 square feet, as shown on the Location Map in Appendix “B”.

**Actions**

1. Authority be granted to enter into the Lease Agreement with the Tenant and Indemnity Agreement with the Indemnifier, 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**

The City will receive a total rental revenue in the amount of $411,215.23 (plus HST) over the lease term of three (3) years from 2026 to 2029 and an additional three (3) years extension term from 2029 to 2032, if such option to extend is exercised by the Tenant. Revenues to the City will be directed to Corporate Real Estate Management (CREM), under cost centre FA1375 and functional area code 3220200000.

Revenues remitted to the City for each fiscal year are as follows:

| | |
|---|---|
| Year 1 (2026/2027) – Term 1 | $63,677.89 |
| Year 2 (2027/2028) – Term 1 | $65,542.60 |
| Year 3 (2028/2029) – Term 1 | $67,464.82 |
| Year 4 (2029/2030) – Term 2 | $69,446.33 |
| Year 5 (2030/2031) – Term 2 | $71,488.97 |
| Year 6 (2031/2032) – Term 2 | $73,594.63 |

The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial implications as identified in the Financial Impact section.

**Comments**

The St. Lawrence Market has been operated by the City of Toronto as a food market since 1903. Currently, 62 different tenants occupy approximately 47,000 square feet of rentable space in the Market.

The proposed rent fee and other major terms and conditions of the Lease Agreement are considered fair, reasonable and reflective of market rates.

**Terms**

See Appendix “A”.

**Property Details**

| | |
|---|---|
| **Ward:** | 13 – Toronto Centre |
| **Assessment Roll No.:** | |
| **Approximate Size:** | |
| **Approximate Area:** | 613.25 Square Feet of Rentable Area |
| **Other Information:** | |

Revised: January, 2026

| A. | Manager, Real Estate Services has approval authority for: | Director, Real Estate Services has approval authority for: |
|---|---|---|
| **1.** Acquisitions: | ☐ Where total compensation does not exceed $50,000. | ☐ Where total compensation does not exceed $1 Million. |
| **2A.** Expropriations Where City is Expropriating Authority: | ☐ Statutory offers, agreements and settlements where total compensation does not cumulatively exceed $50,000. | ☐ Statutory offers, agreements and settlements where total compensation does not cumulatively exceed $1 Million. |
| **2B.** Expropriations For Transit-Related Purposes Where City is Property Owner or Has Interest in Property Being Expropriated: | ☐ **(a)** Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed $50,000.<br>☐ **(b)** Request Hearings of Necessity.<br>☐ **(c)** Waive Hearings of Necessity. | ☐ **(a)** Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed $1 Million.<br>☐ **(b)** Request Hearings of Necessity.<br>☐ **(c)** Waive Hearings of Necessity. |
| **3.** Issuance of RFPs/REOIs: | **Delegated to more senior positions.** | ☐ Issuance of RFPs/REOIs. |
| **4.** Permanent Highway Closures: | **Delegated to more senior positions.** | ☐ Initiate process & authorize GM, Transportation Services to give notice of proposed by-law. |
| **5.** Transfer of Operational Management to Divisions, Agencies and Corporations: | **Delegated to more senior positions**. | **Delegated to more senior positions**. |
| **6.** Limiting Distance Agreements: | ☐ Where total compensation does not exceed $50,000. | ☐ Where total compensation does not exceed $1 Million. |
| **7.** Disposals (including Leases of 21 years or more): | ☐ Where total compensation does not exceed $50,000. | ☐ Where total compensation does not exceed $1 Million. |
| **8.** Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan: | **Delegated to more senior positions**. | ☐ Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan. |
| **9.** Leases/Licences (City as Landlord/Licensor): | ☐ **(a)** Where total compensation (including options/ renewals) does not exceed $50,000.<br>☐ **(b)** Where compensation is less than market value, for periods not exceeding three (3) months, including licences for environmental assessments and/or testing, etc.<br>**Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.** | ☐ **(a)** Where total compensation (including options/ renewals) does not exceed $1 Million.<br>☐ **(b)** Where compensation is less than market value, for periods not exceeding six (6) months, including licences for environmental assessments and/or testing, etc.<br>**Leases pursuant to the Community Space Tenancy Policy delegated to a more senior position.** |
| **10.** Leases/Licences (City as Tenant/Licensee): | ☐ Where total compensation (including options/ renewals) does not exceed $50,000. | ☒ Where total compensation (including options/ renewals) does not exceed $1 Million. |
| **11.** Easements (City as Grantor): | ☐ Where total compensation does not exceed $50,000.<br>**Delegated to more senior positions.** | ☐ **(a)** Where total compensation does not exceed $1 Million.<br>☐ **(b)** When closing roads, easements to pre-existing utilities for nominal consideration. |
| **12.** Easements (City as Grantee): | ☐ Where total compensation does not exceed $50,000. | ☐ Where total compensation does not exceed $1 Million. |
| **13.** Revisions to Council Decisions in Real Estate Matters: | **Delegated to more senior positions.** | ☐ Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)). |
| **14.** Miscellaneous: | **Delegated to more senior positions.** | ☐ **(a)** Approvals, Consents, Notices and Assignments under all Leases/Licences<br>☐ **(b)** Releases/Discharges<br>☐ **(c)** Surrenders/Abandonments<br>☐ **(d)** Enforcements/Terminations<br>☐ **(e)** Consents/Non-Disturbance Agreements/ Acknowledgements/Estoppel Certificates<br>☐ **(f)** Objections/Waivers/Cautions<br>☐ **(g)** Notices of Lease and Sublease<br>☐ **(h)** Consent to regulatory applications by City, as owner<br>☐ **(i)** Consent to assignment of Agreement of Purchase/Sale; Direction re Title<br>☐ **(j)** Documentation relating to Land Titles applications<br>☐ **(k)** Correcting/Quit Claim Transfer/Deeds |

| **B. Director, Real Estate Services and Manager, Real Estate Services each has signing authority on behalf of the City for:** |
|---|
| • Documents required to implement matters for which each position also has delegated approval authority.<br>• 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). |
| **Director, Real Estate Services also has signing authority on behalf of the City for:** |
| • Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval.<br>• Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents. |

| **Pre-Condition to Approval** | | | |
|---|---|---|---|
| [X] Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property | | | |
| **Consultation with Councillor(s)** | | | |
| Councillor: | Chris Moise | Councillor: | |
| Contact Name: | Edward LaRusic | Contact Name: | |
| Contacted by: | [ ] Phone [x] E-Mail [ ] Memo [ ] Other | Contacted by: | [ ] Phone [ ] E-mail [ ] Memo [ ] Other |
| Comments: | Concur to extension | Comments: | |
| **Consultation with Divisions and/or Agencies** | | | |
| Division: | Financial Planning | Division: | **Financial Planning** |
| Contact Name: | Karen Liu | Contact Name: | ■ |
| Comments: | Reviewed and approved | Comments: | ■ |
| **Legal Services Division Contact** | | | |
| Contact Name: | Gloria Lee | | |

| **DAF Tracking No.: 2026-211** | **Date** | **Signature** |
|---|---|---|
| Concurred with by: Manager, Real Estate Services | | X |
| [x] **Recommended by: Manager, Real Estate Services Leila Valenzuela**<br>[ ] **Approved by:** | June 10, 2026 | Signed By Leila Valenzuela |
| [x] **Approved by: Director, Real Estate Services Alison Folosea** | June 12, 2026 | Signed By Alison Folosea |

## Appendix "A"

## Major Terms and Conditions

### A. Lease Agreement

**Leased Premises**: Approximately 613.25 square feet of rentable area and 25.1 square feet of temporary space.

**Fixturing Period**: May 14, 2026 to June 29, 2026

**Term**: June 30, 2026 – June 29, 2029 (Term 1), June 30, 2029 to June 29, 2032 (Term 2 - Extension)

**Semi-Gross Rent**:

| Period | Semi-Gross Rent |
|---|---|
| June 30, 2026 - June 29, 2027 | $77.00 per square foot of rentable area per annum |
| June 30, 2027 - June 29, 2028 | $79.31 per square foot of rentable area per annum |
| June 30, 2028 - June 29, 2029 | $81.69 per square foot of rentable area per annum |

**Use**: The Tenant shall use the Leased Premises for conducting the sale at retail of:

- Mexican and Latin food for immediate consumption or ready to go
- Bakery: Freshly baked and frozen Mexican breads to bake at home.
- Wide variety of salsas, guacamole, paellas
- Hot sauces: Artisanal sauces in different flavors.
- Adobos: Artisanal marinades in different flavors.
- Pipianes: Artisanal pipianes in different flavors.
- Moles: Artisanal moles in different flavors.
- Frozen food to bake at home: empanadas and tamales.
- Taco kits
- Churros
- Enchiladas
- Elote (variety of Mexican street food)
- Tortillas and tortilla chips
- Homemade Nixtamal (corn dough)
- Dry ingredients: chilies, Jamaica, spices.
- Tazcalate: Traditional Mexican drink made of corn (cold or hot)
- Mexican crafts and items: aprons, silver jewellery, tortilla makers, tortilla presses, etc.

The Tenant may also sell Tecolote Market's souvenir items provided no more than two such items are on sale at any one time and provided further that both the Tenant's name and the St. Lawrence Market name are displayed on those products.

The Tenant shall not use the Leased Premises for any other purposes whatsoever.

**Insurance**: The Tenant shall throughout the Term obtain all risks property insurance in an amount equal to one hundred percent (100%) of the full replacement cost of all Tenant's property; business interruption insurance; crime insurance; commercial general liability of not less than Two Million Dollars ($2,000,000.00) per occurrence; liquor liability insurance in amounts no less than Two Million Dollars ($2,000,000.00) per occurrence, if applicable; and any other form of insurance as the Tenant or the Landlord, may require from time to time.

**Option to Extend**: The Tenant shall have the right to extend the Term for one additional period of three (3) years based on the Semi-Gross Rent payable as follows:

| Period | Semi-Gross Rent |
|---|---|
| June 30, 2029 – June 29, 2030 | $84.14 per square foot of rentable area per annum |
| June 30, 2030 – June 29, 2031 | $86.66 per square foot of rentable area per annum |
| June 30, 2031 – June 29, 2032 | $89.26 per square foot of rentable area per annum |

**Percentage Rent**: The amount, if any, by which six percent **(6.5%)** of the annual Gross Sales from the Leased Premises exceed the Breakpoint.

**Indemnity:** The indemnifier shall pay all rent, charges, and any other amounts payable by the Tenant under the Lease and shall promptly perform and complete all of the terms, covenants, and conditions to be kept, observed, and performed by the Tenant under the Lease. The Indemnifier shall indemnify and save harmless the City from any loss, costs, or damages resulting from any default by the Tenant under the Lease.

## B. Indemnity Agreement

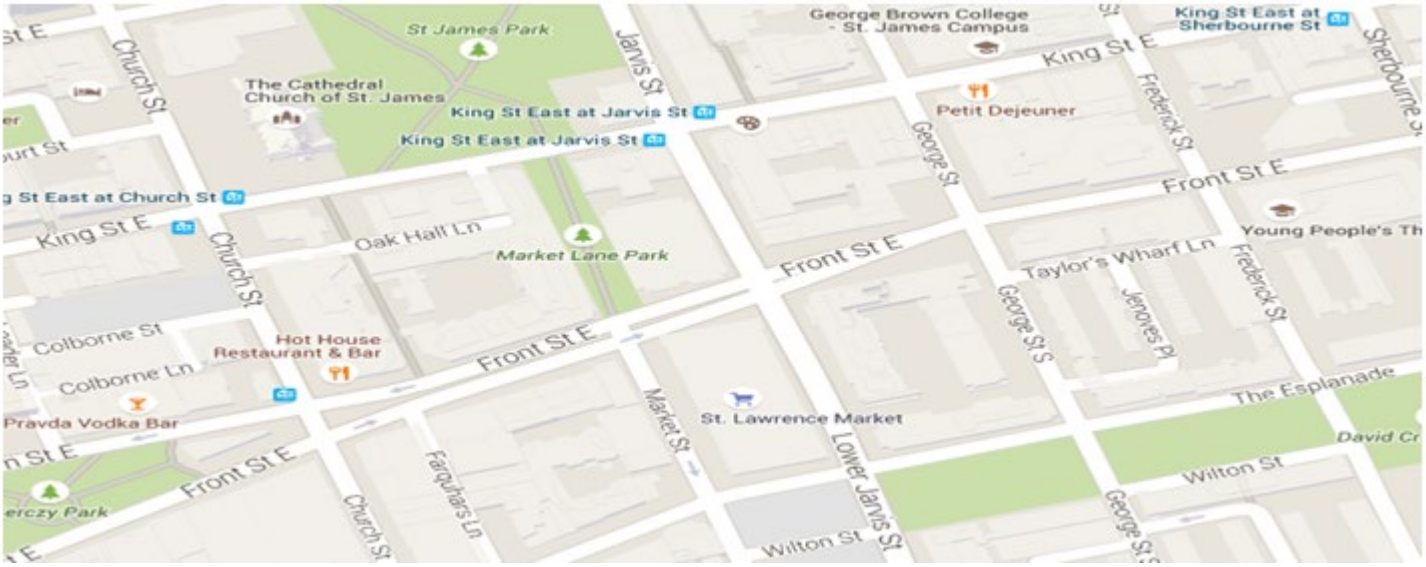
The Indemnity Agreement with Elia Del Carmen Regalado Herrera provides that:

1. The Indemnifier shall pay all rent, charges, and any other amounts payable by the Tenant under the Lease.

2. The Indemnifier shall promptly perform and complete all of the terms, covenants, and conditions to be kept, observed, and performed by the Tenant under the Lease.

3. The Indemnifier shall indemnify and save harmless the City from any loss, costs, or damages resulting from any default by the Tenant under the Lease.

## Appendix "B"
## Location Map




## Leased Premises

