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

TRACKING NO.: 2026-208

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:	May 27, 2026	Phone No.:	416-392-7665

Purpose

To obtain authority to enter into a lease extending and amending agreement (the "**Second Amending Agreement**") with 2478215 Ontario Ltd. (the "**Tenant**") with respect to the property municipally known as 705 Progress Avenue, Unit 19 & 20, Toronto, for the purposes of warehousing and storage of restaurant supplies.

Property

Part of the property municipally known as 705 Progress Avenue, Toronto, as shown on the Location Map and premises sketches attached in Appendix "**B**" (the "**Property**"), comprising approximately 4,070 square feet and known as Unit 20 (the "**Original Premises**") and Unit 19 (the "**Additional Premises**").

Actions

1. Authority be granted to enter into the Second Amending Agreement with the Tenant for a term of three (3) years, 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

705 Progress Avenue is a facility jointly owned by the City of Toronto (the "**City**") and the Toronto District School Board (collectively, the "**Landlord**"). Net revenue collected are divided equally between the parties. The City's portion of total revenues is $81,823.11 (plus HST), based on the total minimum rent of $163,646.22 (plus HST), for the period of thirty-six (36) months commencing on July 1, 2026, and expiring on June 30, 2029, as per below table. 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 ("CREM"), under cost center FA1378.

2026: $24,716.77 (plus HST)
2027: $54,599.05 (plus HST)
2028: $55,982.85 (plus HST)
2029: $28,347.55 (plus HST)
Total: $163,646.22 (plus HST)

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 section.

Comments

By a lease agreement dated February 13, 2023 (the "**Original Lease**"), the Landlord leased the Original Premises to the Tenant for a term of three (3) years, commencing on July 1, 2020, and expiring on June 30, 2023 (see Delegated Approval Form 2022-261). By a lease extending and amending agreement dated July 28th, 2023 (the "**First Amending Agreement**"), the term was extended for an additional three (3) years, commencing on July 1, 2023, and expiring on June 30, 2026 (see Delegated Approval Form 2023-151). In accordance with the Second Amending Agreement, the City and the Tenant wish to further extend the term and amend certain provisions therein, including the leasing of the Additional Premises to the Tenant.

Continued on Page 4

Terms

See Appendix "**A**".

Property Details

Ward:	24-Scarborough Guildwood
Assessment Roll No.:	Part of 1901-05-2-810-04300
Approximate Size:	N/A
Approximate Area:	4,070 sq. ft.
Other Information:	N/A

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. ☐ **(b)** Request Hearings of Necessity. ☐ **(c)** Waive Hearings of Necessity.	☐ **(a)** Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed $1 Million. ☐ **(b)** Request Hearings of Necessity. ☐ **(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. ☐ **(b)** Where compensation is less than market value, for periods not exceeding three (3) months, including licences for environmental assessments and/or testing, etc. **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. ☐ **(b)** Where compensation is less than market value, for periods not exceeding six (6) months, including licences for environmental assessments and/or testing, etc. **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. **Delegated to more senior positions.**	☐ **(a)** Where total compensation does not exceed $1 Million. ☐ **(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 ☐ **(b)** Releases/Discharges ☐ **(c)** Surrenders/Abandonments ☐ **(d)** Enforcements/Terminations ☐ **(e)** Consents/Non-Disturbance Agreements/ Acknowledgements/Estoppel Certificates ☐ **(f)** Objections/Waivers/Cautions ☐ **(g)** Notices of Lease and Sublease ☐ **(h)** Consent to regulatory applications by City, as owner ☐ **(i)** Consent to assignment of Agreement of Purchase/Sale; Direction re Title ☐ **(j)** Documentation relating to Land Titles applications ☐ **(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.
- 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.
- 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:	Paul Ainslie	Councillor:	
Contact Name:	Bushra Alam	Contact Name:	
Contacted by:	[ ] Phone [X] E-Mail [ ] Memo [ ] Other	Contacted by:	[ ] Phone [ ] E-mail [ ] Memo [ ] Other
Comments:	No Objections	Comments:	
Consultation with Divisions and/or Agencies			
Division:	CreateTo/ Parks & Recreation	Division:	**Financial Planning**
Contact Name:	Kevin D'Souza/Kirsten Stein	Contact Name:	Karen Liu
Comments:	No objections	Comments:	No objections
Legal Services Division Contact			
Contact Name:	Douglas LaForce		

DAF Tracking No.: 2026-208	**Date**	**Signature**
Concurred with by:		X
[ ] **Recommended by:** **Manager, Real Estate Services** **Eric Allen** [X] **Approved by:**	30-JUN-2026	Signed By Eric Allen
[ ] **Approved by:** **Director, Real Estate Services** **Alison Folosea**	07-JUL-2026	Signed By Alison Folosea

DAF 2026-208

Comments (continued from Page 1)

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 "**Board**"). 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, whereby the City and the property manager would be responsible for the day-to-day operations of the property.

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

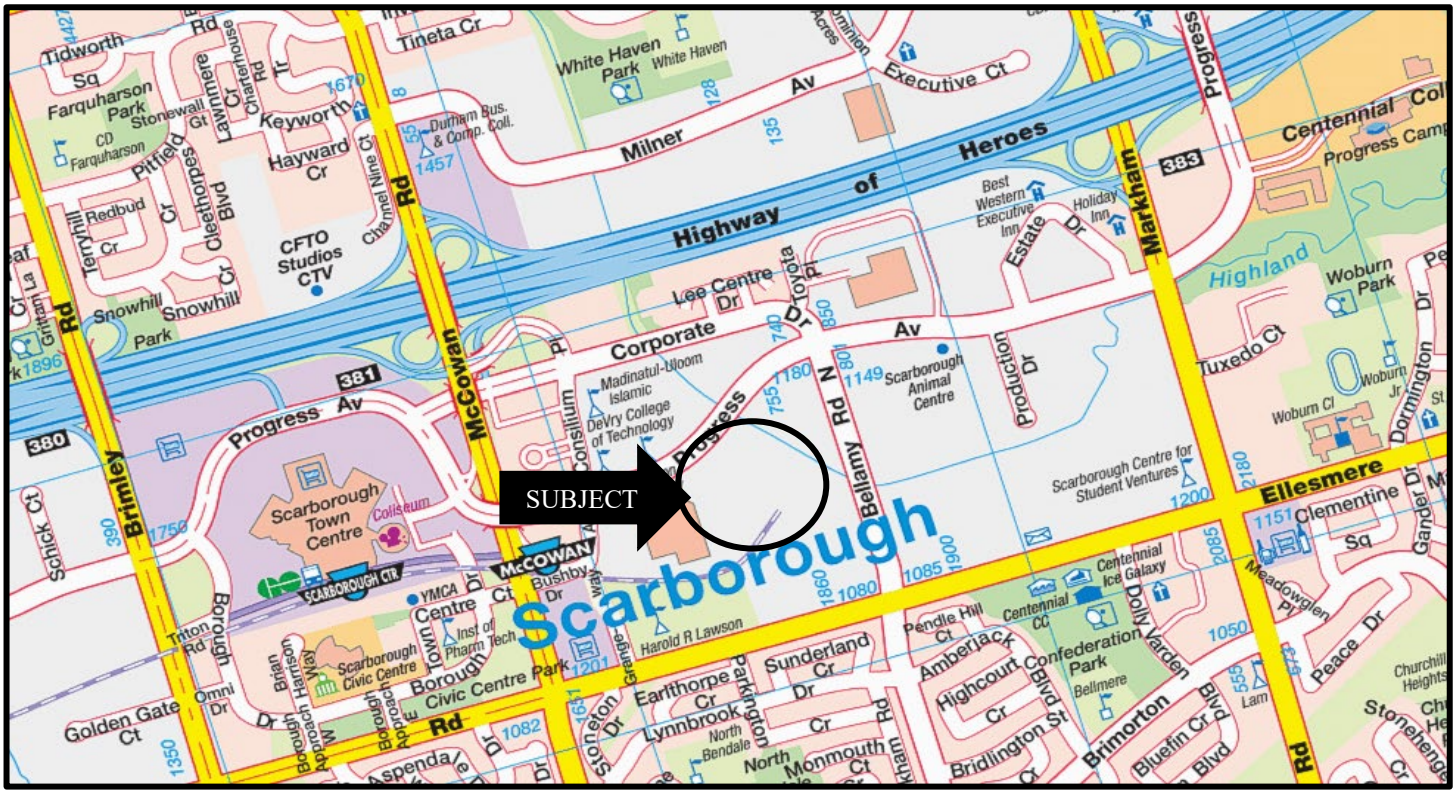
Appendix "A"

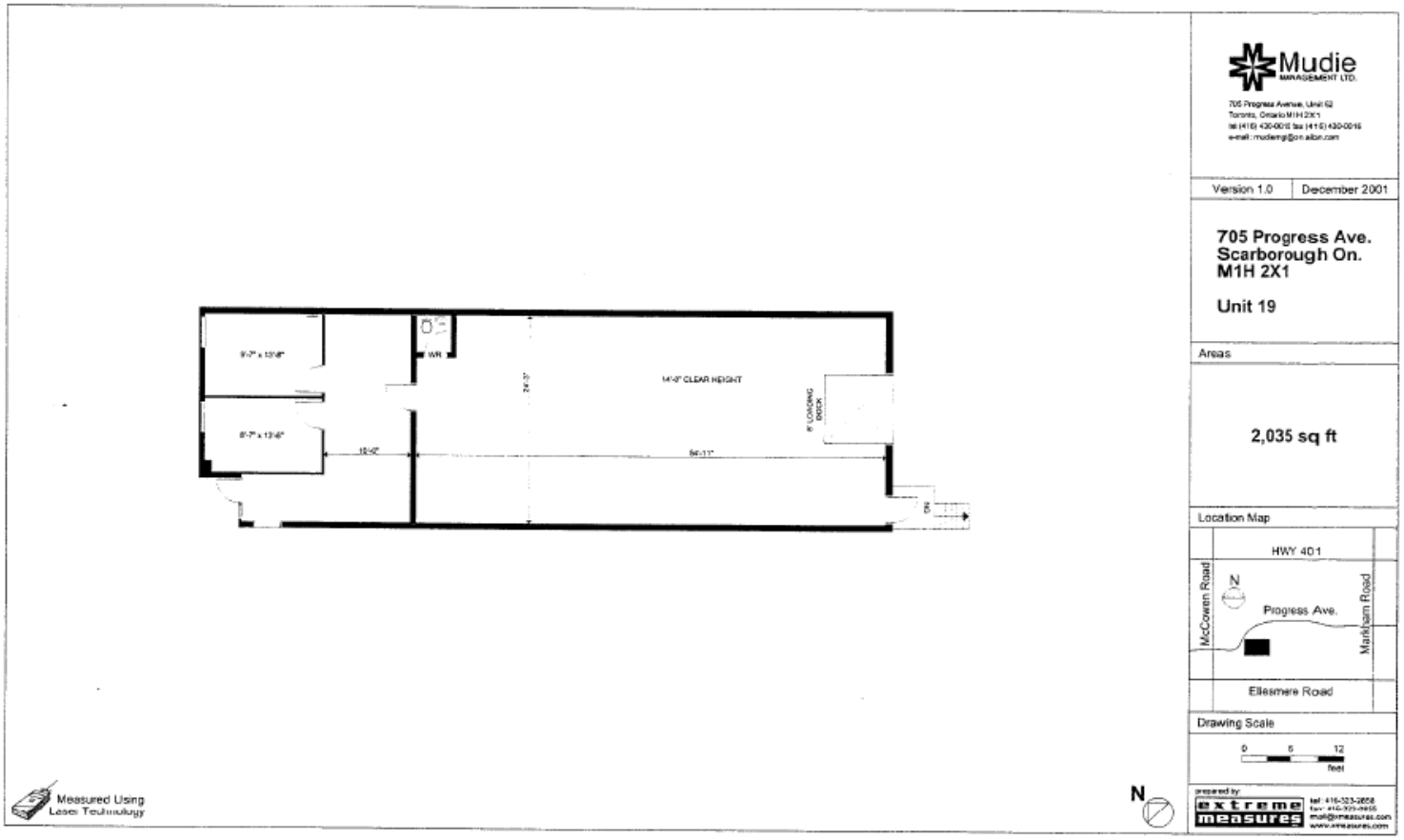
Major Terms and Conditions

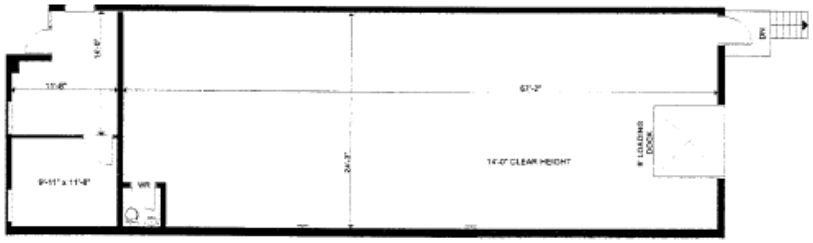
Minimum Rent:	Month 1 $0 fixturing period (Unit 19); $2,246.98 net of HST ($13.25/ft2) (Unit 20). Month 2-12 $49,433.54 net of HST ($13.25/ft2) (Unit 19 & 20) Month 13-24 $55,270.60 net of HST ($13.58/ft2) (Unit 19 & 20) Month 25-36 $56,695.10 net of HST ($13.93/ft2) (Unit 20 & 20)
Additional Rent:	City's portion estimated at $12,962.95 for 2026, plus any applicable taxes, based on the 2026 operating cost budget rate of $6.37/ ft^2
Area of Premises:	Approximately 4,070 ft^2
Term:	Three (3) years (July 1, 2026 – June 30, 2029)
Use:	Warehousing and storage of restaurant supplies
Prepaid Rent:	First Month Rent (Unit 19 only): $3,759.76 ($13.25+6.37) x 2,035 SF/12 + HST) Last Month Rent (Units 19-20): $7,780.14 ($13.93+6.37) x 4,070 SF/12 + HST)
Security Deposit:	$7,780.14 ($13.93+6.37) x 4,070 SF/12 + HST)
Option to Extend:	None
Tenant's Early Termination:	None
Landlord's Early Termination:	Upon three (3) months written termination notice
Parking	Two parking spaces
Landlord's Work	Tenant agrees to accept the premises on an "as is, where is" basis, except for the following work, all at the Landlord's cost: installation of a wall separating Unit 19 from Unit 18, repair of truck bumpers, locks, and shipping door, including required caulking
Water Heater	The Tenant agrees to be responsible for the installation and rental of its own water heater, and any related costs. If there is an existing heater present, then the Tenant shall be responsible for the cost of repair and/or replacement, including any related costs
Tenant Acknowledgement:	The Tenant acknowledges that portions of the Lands and Building are being used to provide shelter services. The Tenant releases the Landlord from all liability, costs, damages, claims or demands claimed to be caused by such shelter services, including interference with business operation and quiet enjoyment

Appendix "B"

Location Map & Floor Plan







Measured Using Laser Technology

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Mudie MANAGEMENT LTD.

705 Progress Avenue, Unit 62
Toronto, Ontario M1H 2X1
tel (416) 438-8015 fax (416) 438-8015
e-mail: mudieng@on.aibn.com

Version 1.0	December 2001

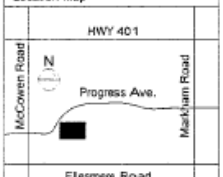
705 Progress Ave.
Scarborough On.
M1H 2X1

Unit 20

Areas

2,035 sq ft

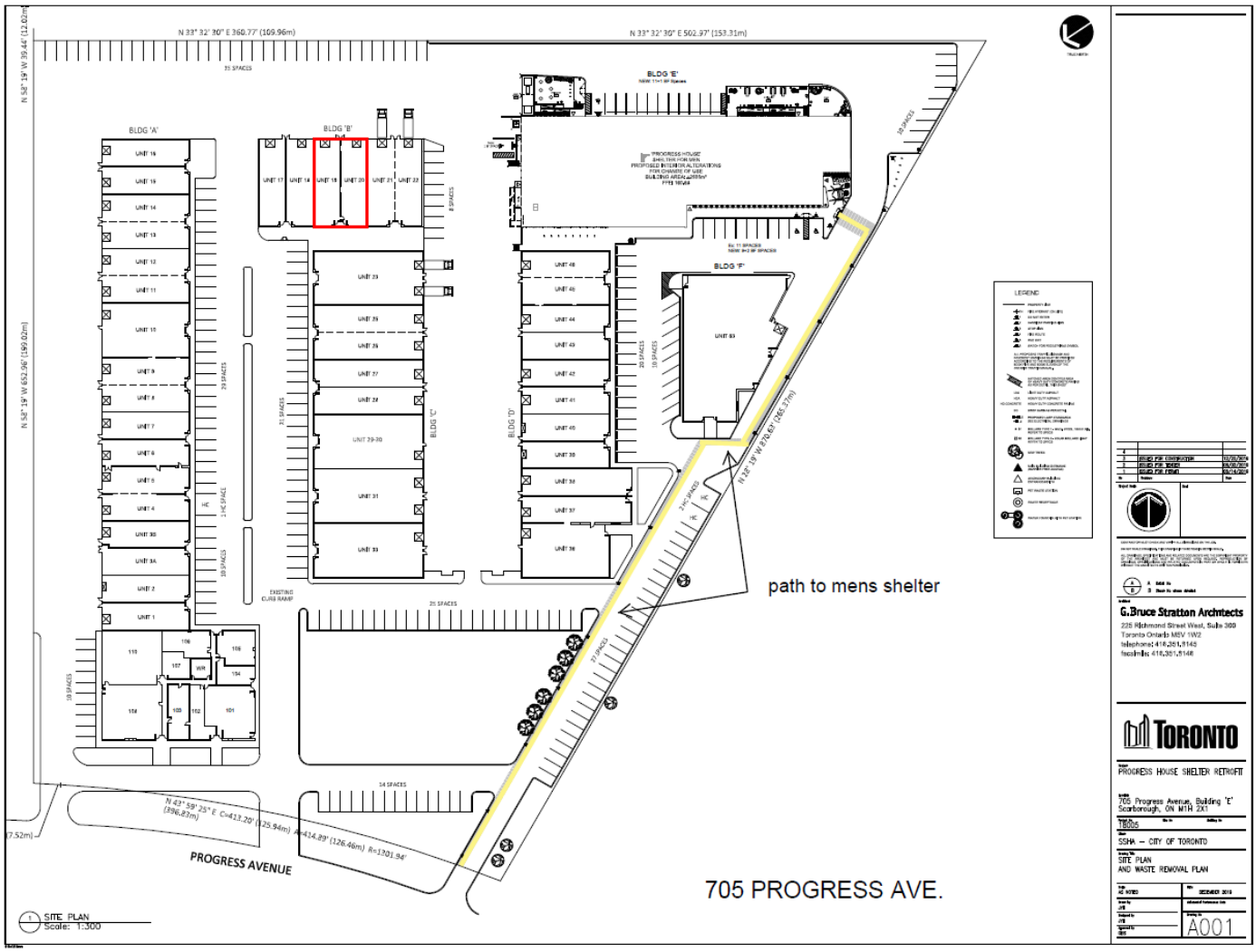
Location Map



Drawing Scale

0 6 12 feet

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TORONTO

PROGRESS HOUSE SHELTER RETROFIT

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SSHA – CITY OF TORONTO

SITE PLAN
AND WASTE REMOVAL PLAN

A001