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

**TRACKING NO.: 2026-318**

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

| | | | |
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| Prepared By: | Jag Prajapati | Division: | Corporate Real Estate Management |
| Date Prepared: | September 24, 2026 | Phone No.: | 416-394-5472 |

**Purpose**

To obtain authority to enter into a lease agreement with Recipe Unlimited Corporation (the "Tenant") with respect to the City-owned property municipally known as 1641 Queen Street East, Toronto, for the continued operation of a Harvey's/Swiss Chalet restaurant (the "Lease Agreement").

**Property**

The property municipally known as 1641 Queen Street East, Toronto, legally described as Lot 25, Plan 652E, Toronto, City of Toronto, being all of PIN 21022-0542 (LT) (the "Property"), as shown on the Location Map in Appendix "B".

**Actions**

1. Authority be granted to enter into the Lease 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**

The City will receive Basic Rent of $140,900 in Year 1 and $146,536 in Year 2. If both one-year extension options are exercised, Basic Rent will be $152,172 in Year 3 and $157,808 in Year 4, for total potential Basic Rent revenue of $597,416, plus applicable HST, over the entire four-year period.

The Tenant will also pay Percentage Rent equal to 3% of annual Gross Revenue in excess of $1,700,000. Percentage Rent is variable and has not been included in the guaranteed rental revenue above. Additional Rent payable under the Lease represents amounts payable either directly to the appropriate third parties or authorities, or reimbursement to the City for applicable costs incurred by the City, and is therefore not included as additional net revenue for the purpose of this financial impact.

The Lease is structured as a carefree and absolutely net lease to the City, with the Tenant generally responsible for Taxes, operating expenses, maintenance and other costs associated with its occupancy, subject to the specific landlord obligations and carve-outs set out in the Lease.

Revenues will be directed to CREM’s cost center FA3777 3220200000 and GL 4050009.

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 City acquired the Property in 2025 to consolidate the Property with adjacent City-owned lands at 1631 Queen Street East and support the broader Toronto Builds/Housing Now redevelopment led by CreateTO. The Property is improved with a one-storey commercial building occupied by Recipe Unlimited Corporation and operated as a Harvey's/Swiss Chalet. The City assumed the existing lease as landlord.

The existing lease expires on September 30, 2026. As the timing for redevelopment of the broader 1631-1641 Queen Street East site has been extended, Real Estate Services negotiated a short-term lease with the existing Tenant to allow the restaurant use to continue in the interim while generating rental revenue for the City and maintaining flexibility for the future redevelopment of the lands.

The proposed Lease provides for an initial two-year term, with two additional one-year extension options, and includes a reciprocal six-month termination provision to preserve flexibility as redevelopment planning advances. The proposed rent and other major terms and conditions of the Lease are considered fair, reasonable and reflective of market rates.

**Terms**

Refer Appendix "A"

**Property Details**

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| **Ward:** | Ward 19 – Beaches-East York |
| **Assessment Roll No.:** | 1904091030003000000 |
| **Approximate Size:** | Refer Appendix “B” |
| **Approximate Area:** | 8,288.20 sq. ft. (0.190 acres) |
| **Other Information:** | Gross Leasable Area: 2,818 sq. ft. |

| 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:** |
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| • 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** | | | | | | | | | | | | | |
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| [X] Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property | | | | | | | | | | | | | |
| **Consultation with Councillor(s)** | | | | | | | | | | | | | |
| Councillor: | Brad Bradford | | | | | | | Councillor: | | | | | |
| Contact Name: | Craig Ruttan | | | | | | | 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: | Housing Development Office / CreateTO | | | | | | | Division: | Financial Planning | | | | |
| Contact Name: | Ryan Santiago / Pedro Guinti | | | | | | | Contact Name: | Karen Liu | | | | |
| Comments: | Reviewed | | | | | | | Comments: | Comments incorporated | | | | |
| **Legal Services Division Contact** | | | | | | | | | | | | | |
| Contact Name: | Bronwyn Atkinson / Kenneth Farrell | | | | | | | | | | | | |

| **DAF Tracking No.: 2026-318** | **Date** | **Signature** |
|---|---|---|
| Concurred with by: Manager, Real Estate Services | | X |
| [X] **Recommended by: Manager, Real Estate Services Devi Mohan**<br>[ ] **Approved by:** | October 6 2026 | Signed By Devi Mohan |
| [X] **Approved by: Director, Real Estate Services Alison Folosea** | October 8, 2026 | Signed By Alison Folosea |

## Appendix "A"

### Major Terms and Conditions

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|---|---|
| Leased Premises: | Entire City-owned property at 1641 Queen Street East; Gross Leasable Area of 2,818 sq. ft. |
| Basic Rent: Year 1: | $50.00/sq. ft. ($140,900/year); Year 2: $52.00/sq. ft. ($146,536/year), plus HST. |
| Term: | October 1, 2026 to September 30, 2028. |
| Options to Extend: | Two one-year options at $54.00/sq. ft. and $56.00/sq. ft., respectively. |
| Percentage Rent: | 3% of Gross Revenue in excess of $1,700,000 in each Lease Year, payable annually in arrears. |
| Deposit: | $12,211.33 plus HST, to be applied to last month's Basic Rent. |
| Use: | Harvey's/Swiss Chalet restaurant. |
| Net Lease / Additional Rent: | Tenant pays Taxes, Operating Costs and other amounts payable under the Lease. |
| City Responsibilities: | Specified structural/capital repairs and pre-existing environmental liabilities, as set out in the Lease. |
| Insurance: | Tenant to maintain $5 million CGL and the other insurance required by the Lease. |
| Early Termination: | Either party may terminate the Lease on six months' written notice. |

# Appendix "B"

## Location Map

