

DELEGATED APPROVAL FORM
CHIEF CORPORATE OFFICER
DIRECTOR OF REAL ESTATE SERVICES

TRACKING NO.: 2011-004

<input checked="checked" type="checkbox"/>	Approved pursuant to the Delegated Authority contained in Executive Committee Item EX43.7 entitled " Delegation of Authority in Certain Real Estate Matters " adopted by City Council on May 11 and 12, 2010. City Council confirmatory By-law No. 532-2010, enacted on May 12, 2010.		
<input type="checkbox"/>	Approved pursuant to the Delegated Authority contained in Executive Committee Item EX33.44 entitled " Union Station Revitalization Implementation and Head Lessee Selection " adopted by City Council on August 5 and 6, 2009. City Council confirmatory By-law No. 749-2009, enacted on August 6, 2009.		
Prepared By:	Irina Fofanova	Division:	Real Estate Services
Date Prepared:	February 28, 2011	Phone No.:	416-397-0806
Purpose	To obtain authority to enter into a three (3) month Lease Extension Agreement (the "Extension Agreement") with Hakim Optical Laboratory Limited (the "Tenant") for premises at 38-40 Dundas St. E.		
Property	38-40 Dundas Street East, Toronto, ON (see page 5 for location map)		
Actions	It is recommended that: <ol style="list-style-type: none"> 1. authority be granted to extend the lease with Hakim Optical Laboratory Limited for a tree (3) month term, commencing on February 1, 2011 and ending on April 30, 2011 for the premises which comprise the building with parking lot at 38-40 Dundas St. E, substantially on the terms and conditions outlined herein, and any such other terms and conditions deemed appropriate by the Chief Corporate Officer, and in a form acceptable to the City Solicitor; 2. the Chief Corporate Officer or his designate, administer and manage the Agreement including the provision of any consents, approvals, waivers, notices and notices of termination provided that the Chief Corporate Officer may, at any time, refer consideration of such matters to City Council for it determination and direction; and, 3. the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto. 		
Financial Impact	The City will receive \$69,000.00 net revenue over the three-month term. The Deputy City Manager and Chief Financial Officer has reviewed this DAF and agrees with the financial impact information.		
Comments	<p>At its meeting held on July 8, 9 and 10, 1998, City Council adopted an amended Clause No. 26 of Report No.10 of the Strategic Policies and Priorities Committee and approved the expropriation of the properties required for the Yonge-Dundas Redevelopment Project.</p> <p>By registration of Expropriation Plan 12153 on July 14, 1998, the City of Toronto expropriated the subject property previously owned by Optical Properties Inc. At the time of expropriation the property was leased to Hakim Optical Laboratory Ltd. (the "Tenant"). The City assumed the lease between Optical Properties Inc. and the Tenant.</p> <p>By adoption of DAF # 2006-061 dated May 26, 2006, authority was granted to enter into a three (3) year lease agreement with Hakim Optical for the premises and adjacent parking lot at 38-40 Dundas Street East. This agreement expired on June 30, 2009.</p> <p>City Council at its meeting on November 30, December 1, 2, 3 & 7, 2009, adopted item GM26.6, authorizing the extension of the term of the lease for a period of nine (9) months with an option to renew for a further period of eight (8) months to allow for a flexibility while the Tenant is waiting for its new premises to be ready. The Tenant has exercised its option to renew the agreement for a period of eight months that is expiring on November 30, 2010.</p> <p>By adoption of DAF # 2010-244 dated November 4, 2010, authority was granted to enter into a two (2) months lease extension agreement with Hakim Optical for the premises and adjacent parking lot at 38-40 Dundas Street East. This agreement is expiring on January 31, 2011.</p> <p>The Tenant now requested a lease extension for a three-month period.</p> <p>Real Estate Services have reached an agreement with Hakim Optical to enter into a lease extension agreement commencing on February 1, 2011 and terminating on April 30, 2011 on the same terms and conditions as the expiring agreement except rent.</p> <p>Real Estate Services staff consider the proposed rent and other terms and conditions in the Agreement to be fair, reasonable and at market value.</p>		

Terms	<p>Major terms and conditions of the proposed Agreement are as follows:</p> <p><u>Premises:</u> Entire building and parking lot at 38-40 Dundas St. E., excluding two (2) commercial signs at the property</p> <p><u>Tenant:</u> Hakim Optical Laboratory Ltd.</p> <p><u>Term:</u> Three (3) months, commencing on February 1, 2011 and ending on April 30, 2011</p> <p><u>Renewal rights:</u> No option to renew</p> <p><u>Rent:</u> \$23,000 plus HST per month</p> <p><u>Early Termination:</u> N/A</p> <p><u>Use:</u> Retail sales of eyeglasses and related accessories, and related businesses including an optometrist or medical doctor's office for the purpose of conducting eye examinations</p> <p>Operating and Maintenance</p> <p><u>Insurance:</u> Commercial General Liability -\$5,000,000 per occurrence.</p> <p><u>Capital Repair and Maintenance</u> Tenant is responsible for operational maintenance. Landlord - for structural maintenance.</p>										
Property Details	<table border="1"> <tr> <td>Ward:</td><td>27 – Toronto Centre - Rosedale</td></tr> <tr> <td>Assessment Roll No.:</td><td>1904066430005000000</td></tr> <tr> <td>Approximate Size:</td><td>7,500 sq. ft</td></tr> <tr> <td>Approximate Area:</td><td>5618 sq. ft.</td></tr> <tr> <td>Other Information:</td><td></td></tr> </table>	Ward:	27 – Toronto Centre - Rosedale	Assessment Roll No.:	1904066430005000000	Approximate Size:	7,500 sq. ft	Approximate Area:	5618 sq. ft.	Other Information:	
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Other Information:											

A.	Director of Real Estate Services has approval authority for:	Chief Corporate Officer has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
2. Expropriations:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$1 Million.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.
3. Issuance of RFPs/REOs:	Delegated to a more senior position.	<input type="checkbox"/> Issuance of RFPs/REOs.
4. Permanent Highway Closures:	Delegated to a more senior position.	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.
5. Transfer of Operational Management to ABCDs:	Delegated to a more senior position.	<input type="checkbox"/> Transfer of Operational Management to ABCDs.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	Delegated to a more senior position.	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.
9. Leases/Licences (City as Landlord/Licensor):	<input checked="" type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$1 Million; <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.	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$3 Million; <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.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> (a) Where total compensation does not exceed \$1 Million. <input type="checkbox"/> (b) When closing road, easements to pre-existing utilities for nominal consideration.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million. Delegated to a less senior position.
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$1 Million.	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.
13. Revisions to Council Decisions in Real Estate Matters:	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and may include increase not to exceed the amount of the original decision by the lesser of 10 per cent and \$500,000).	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and may include increase not to exceed the amount of the original decision by the lesser of 10 per cent and \$1 Million).
14. Miscellaneous:	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences; <input type="checkbox"/> (b) Releases/Discharges; <input type="checkbox"/> (c) Surrenders/Abandonments; <input type="checkbox"/> (d) Enforcements/Terminations; <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates; <input type="checkbox"/> (f) Objections/Waivers/Cautions; <input type="checkbox"/> (g) Notices of Lease and Sublease; <input type="checkbox"/> (h) Consent to regulatory applications by City, as owner; <input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title; <input type="checkbox"/> (j) Documentation relating to Land Titles applications; <input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds.	<input type="checkbox"/> (a) Approvals, Consents, Notices and Assignments under all Leases/Licences; <input type="checkbox"/> (b) Releases/Discharges; <input type="checkbox"/> (c) Surrenders/Abandonments; <input type="checkbox"/> (d) Enforcements/Terminations; <input type="checkbox"/> (e) Consents/Non-Disturbance Agreements/Acknowledgements/Estoppels/Certificates; <input type="checkbox"/> (f) Objections/Waivers/Cautions; <input type="checkbox"/> (g) Notices of Lease and Sublease; <input type="checkbox"/> (h) Consent to regulatory applications by City, as owner; <input type="checkbox"/> (i) Consent to assignment of Agreement of Purchase/Sale; Direction re Title; <input type="checkbox"/> (j) Documentation relating to Land Titles applications; <input type="checkbox"/> (k) Correcting/Quit Claim Transfer/Deeds.
B. Chief Corporate Officer and Director of Real Estate Services each has signing authority on behalf of the City for:		
<input type="checkbox"/> 1. Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval. <input type="checkbox"/> 2. Expropriation Applications and Notices following Council approval of expropriation. <input checked="" type="checkbox"/> 3. Documents required to implement the delegated approval exercised by him.		
Chief Corporate Officer also has approval authority for:		
<input type="checkbox"/> Leases/licences/permits at Union Station during the Revitalization Period, if the rent/fee is at market value.		

Consultation with Councillor(s)									
Councillor:	Kristyn Wong -Tam					Councillor:			
Contact Name:	Melissa Wong					Contact Name:			
Contacted by:		Phone	X	E-Mail		Memo		Other	
Comments:	No objections					Comments:			
Consultation with ABCDs									
Division:						Division:	Financial Planning		
Contact Name:						Contact Name:	Judy Broughton		
Comments:						Comments:	Included		
Legal Division Contact									
Contact Name:	Barbara Cappel								

	Date	Signature
Recommended by: Manager:Raymond Kessler	Feb/28/2011	Sgd.Raymond Kessler
<input type="checkbox"/> Recommended by: Director of Real Estate Services Joe Casali	Mar/15/2011	Sgd. Joe Casali
<input checked="" type="checkbox"/> Approved by:		
<input type="checkbox"/> Approved by: Chief Corporate Officer Bruce Bowes, P. Eng.		X

General Conditions ("GC")

- (a) The local Councillor (or local Councillors if the subject property is located on a ward boundary or if the transaction involves an exchange of properties in more than one ward), will be consulted prior to the exercise of delegated Approving Authority by staff for all Acquisitions, Disposals, Land Exchanges and Leases.
- (b) Where approving power has been delegated to staff, the Chief Corporate Officer, in consultation with the applicable Deputy City Manager or the City Manager, may determine that such matter is of such special interest that same should be returned to the relevant Committee and Council for consideration and determination.
- (c) Exercise of delegated authority is subject to all applicable Council policies, statutes or other applicable law.
- (d) Authority to approve financial commitments/expenditures is subject to all amounts being available in an approved budget [or funding is available from alternative sources].
- (e) Property interests are to be based on appraised value, and no interest shall be granted at less than market value unless otherwise specifically authorized.
- (f) Authority to approve transactions at less than market value is subject to statutory anti-bonusing provisions.
- (g) Total compensation means the aggregate of all types of payments, including land value, estimated clean-up costs, potential arbitration awards, loss claims, etc, but exclusive of any applicable taxes and registration costs.
- (h) Authority to acquire property is conditional upon provision being made to bring the property into compliance with applicable MOE or other requirements such that it will be fit for its intended municipal purpose.
- (i) Authority to initiate the permanent road closure process in **A.4** is conditional upon confirmation by the GM of Transportation Services that it is feasible to permanently close the highway.
- (j) Disposal authorities in **A.7** are subject to the property having been declared surplus, and the disposal policy complied with.
- (k) Land exchanges, except for those in **A.8**, may be authorized based on the delegated Approving Authority for Disposals in **A.7**.
- (l) Approving Authority with respect to land located in the Designated Waterfront Area is conditional upon the approval of the Director, Waterfront Secretariat.
- (m) Authority to approve an exchange of land in **A.8** is conditional upon confirmation by the Chief Planner and Executive Director, and the GM of Parks, Forestry & Recreation, that the land being exchanged is (i) nearby land of equivalent or larger area, and (ii) of comparable or superior green space utility.
- (n) Approving Authority in leasing matters (**A.9** and **A.10**) is limited to periods (including options/renewals) of less than twenty-one (21) years.
- (o) Total compensation in leasing matters where the City is landlord (**A.9**) includes the value of tenant improvements if factored into tenant's rental payments.
- (p) Total compensation in leasing matters where the City is the tenant (**A.10**) includes the value of any tenant improvements to be paid by the City.
- (q) Where options/renewals are included in leases, if the renewal rent is to be determined at a date later than the original approval date, total compensation is to be calculated as though all options are exercised, estimating the renewal rent based on the highest rent payable in the first term of the lease.
- (r) Total compensation in leasing matters where the City is landlord (**A.9**) or tenant (**A.10**) is to be calculated from the date of approval pursuant to this delegation (ie. first allowing for the expiry of any prior approvals, whether by Council or a delegated authority).
- (s) Approving Authority in leasing matters includes authority to approve renewals/extensions within the parameters of the delegated Approving Authority.
- (t) Approving Authority includes authority for amendments within the parameters of the delegated Approving Authority, the cumulative total of which may not exceed the delegated financial limit.
- (u) Where proposed additional amounts in **A.13** exceed 10 per cent of the original decision, even if otherwise in compliance with all other conditions, then approving authority is transferred upwards to the next more senior level of approving authority having the relevant overall financial limit.
- (v) Approving Authority includes authority for all documents necessary to implement the authority, on terms and conditions satisfactory to the Approving Authority, in consultation with the relevant operating Division(s).
- (w) Staff positions referred to in this delegation include successors from time to time.
- (x) Documents are to be in a form satisfactory to the City Solicitor (including indemnity and insurance provisions).
- (y) Delegated signing authorities in **B** are conditional upon the documents having received the City Solicitor's prior "Approval as to Form".
- (z) This delegation does not affect sales, acquisitions and leases over which the Affordable Housing Committee has responsibility.
- (aa) Authority to use land acquired by the City for parking purposes by the Toronto Parking Authority is conditional upon Council enacting a by-law designating such use.

LOCATION MAP

