

DELEGATED APPROVAL FORM
DEPUTY CITY MANAGER, CORPORATE SERVICES

TRACKING NO.: 2024-107

Approved pursuant to the Delegated Authority contained in Article 2 of City of Toronto Municipal Code Chapter 213, Real Property			
Prepared By:	Wendy Pearson	Division:	Corporate Real Estate Management
Date Prepared:	May 22, 2024	Phone No.:	647-629-6739
Purpose	To obtain authority to enter into a sublease agreement (the "Agreement") between The City of Toronto (the "Sublandlord") and Arts Starts Neighbourhood Cultural Centre (the "Subtenant") for the Property (as defined below) for the purposes of providing arts-based community services for seniors, adults, youth and children .		
Property	Part of the property municipally known as 3401 Dufferin Street, Toronto, ON, (Yorkdale Shopping Centre), located on the Merchandising Plan Lower Level, comprising approximately 2,780 sq. ft. of office space in the basement, as per the attached floorplan included herein as Schedule "B."		
Actions	<ol style="list-style-type: none"> 1. Authority be granted to enter into the Sublease Agreement with the Subtenant, substantially on the key terms and conditions set out in Schedule "A", and including such other terms as deemed appropriate by the approving authority herein, and in a form satisfactory to the City Solicitor. 2. Executive Director, Corporate Real Estate Management or designate shall administer and manage the Agreement including the provisions of any consents, approvals, waivers, notices and notices of termination provided that the Executive Director, Corporate Real Estate Management may, at any time, refer consideration of such matter to City Council for its determination and direction. 		
Financial Impact	<p>The Agreement is at a nominal rate of \$2.00 plus Harmonized Sales Tax per year, for a total of \$10.00 for the five-year term.</p> <p>The Chief Financial Officer and Treasurer has reviewed this DAF and agrees with the financial impact information.</p>		
Comments	<p>The Subtenant supports vulnerable residents using arts as an accessible tool for social change. The various programs it provides attempt to foster leadership and personal development for children and youth using art as a medium for change.</p> <p>The Subtenant's current sublease with the City was authorized by City Council in July 2013 by adoption of item 2013.GM23.13 under the Below Market Rent Policy. The Subtenant now requires a new agreement with the City.</p> <p>The DAF refers to the specific authority allowing existing BMR tenancies to come under the CST Policy. That authority came out of the 2020 amendment to the CST policy (Recommendation 1. of item GL12.7, adopted by City Council on June 29, 2020). This Lease was identified in Appendix 1 of the 2020 amendment as an existing Below Market Rent Policy lease that could be approved by delegated authority by the Deputy City Manager, Corporate Services, in consultation with the Executive Director, Social Development, Finance and Administration, and/or the Division Head responsible for the tenants' programs.</p>		
Terms	See Schedule "A"		
Property Details	Ward:	Ward 8 – Eglinton-Lawrence	
	Assessment Roll No.:	1908 043 560 03100	
	Approximate Size:	N/A	
	Approximate Area:	258 m ² ± (2,780 ft ² ±)	
	Other Information:	N/A	

A.	Executive Director, Corporate Real Estate Management has approval authority for:	Deputy City Manager, Corporate Services has approval authority for:
1. Acquisitions:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
2A. Expropriations Where City is Expropriating Authority:	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million.	<input type="checkbox"/> Statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million.
2B. Expropriations For Transit-Related Purposes Where City is Property Owner or Has Interest in Property Being Expropriated:	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$3 Million. Request/waive hearings of necessity delegated to less senior positions.	<input type="checkbox"/> (a) Acceptance of statutory offers, agreements and settlements where total compensation does not cumulatively exceed \$5 Million. Request/waive hearings of necessity delegated to less senior positions.
3. Issuance of RFPs/REOs:	<input type="checkbox"/> Issuance of RFPs/REOs.	<input type="checkbox"/> Issuance of RFPs/REOs.
4. Permanent Highway Closures:	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.	<input type="checkbox"/> Initiate process & authorize GM, Transportation Services to give notice of proposed by-law.
5. Transfer of Operational Management to Divisions, Agencies and Corporations:	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.	<input type="checkbox"/> Transfer of Operational Management to Divisions, Agencies and Corporations.
6. Limiting Distance Agreements:	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
7. Disposals (including Leases of 21 years or more):	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
8. Exchange of land in Green Space System & Parks & Open Space Areas of Official Plan:	<input type="checkbox"/> Exchange of land in Green Space System and Parks and Open Space Areas of Official Plan.	<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 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 twelve (12) months, including licences for environmental assessments and/or testing, etc. Delegated to a more senior position.	<input type="checkbox"/> (a) Where total compensation (including options/renewals) does not exceed \$5 Million. <input type="checkbox"/> (b) Where compensation is less than market value, for periods not exceeding twelve (12) months, including licences for environmental assessments and/or testing, etc. <input checked="" type="checkbox"/> (c) Where compensation is less than market value, provided tenant and lease satisfy Community Space Tenancy Policy criteria set out in Item EX28.8, as adopted by Council on November 7, 8 and 9, 2017, as amended from time to time.
10. Leases/Licences (City as Tenant/Licensee):	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation (including options/renewals) does not exceed \$5 Million.
11. Easements (City as Grantor):	<input type="checkbox"/> (a) Where total compensation does not exceed \$3 Million. <input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.	<input type="checkbox"/> (a) Where total compensation does not exceed \$5 Million. <input type="checkbox"/> (b) When closing roads, easements to pre-existing utilities for nominal consideration.
12. Easements (City as Grantee):	<input type="checkbox"/> Where total compensation does not exceed \$3 Million.	<input type="checkbox"/> Where total compensation does not exceed \$5 Million.
13. Revisions to Council Decisions in Real Estate Matters:	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).	<input type="checkbox"/> Amendment must not be materially inconsistent with original decision (and subject to General Condition (U)).
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/Estoppel 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/Estoppel 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. Deputy City Manager, Corporate Services and Executive Director, Corporate Real Estate Management each has signing authority on behalf of the City for:
<ul style="list-style-type: none"> • Documents required to implement matters for which each position also has delegated approval authority. • Agreements of Purchase and Sale and all implementing documentation for purchases, sales and land exchanges not delegated to staff for approval. • Expropriation Applications and Notices following Council approval of expropriation. • Community Space Tenancy Leases approved by delegated authority by the Deputy City Manager, Corporate Services and any related documents.

Pre-Condition to Approval

Complies with General Conditions in Appendix B of City of Toronto Municipal Code Chapter 213, Real Property

Consultation with Councillor(s)

Councillor:	Mike Colle	Councillor:	
Contact Name:	Lisa Iozzo (05/15/2024)	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:	

Consultation with Divisions and/or Agencies

Division:	SDFA	Division:	Financial Planning
Contact Name:	Daniel Bondi	Contact Name:	Ciro Tarantino (05/15/2024)
Comments:	No objections (05/15/2024)	Comments:	No objections

Legal Services Division Contact

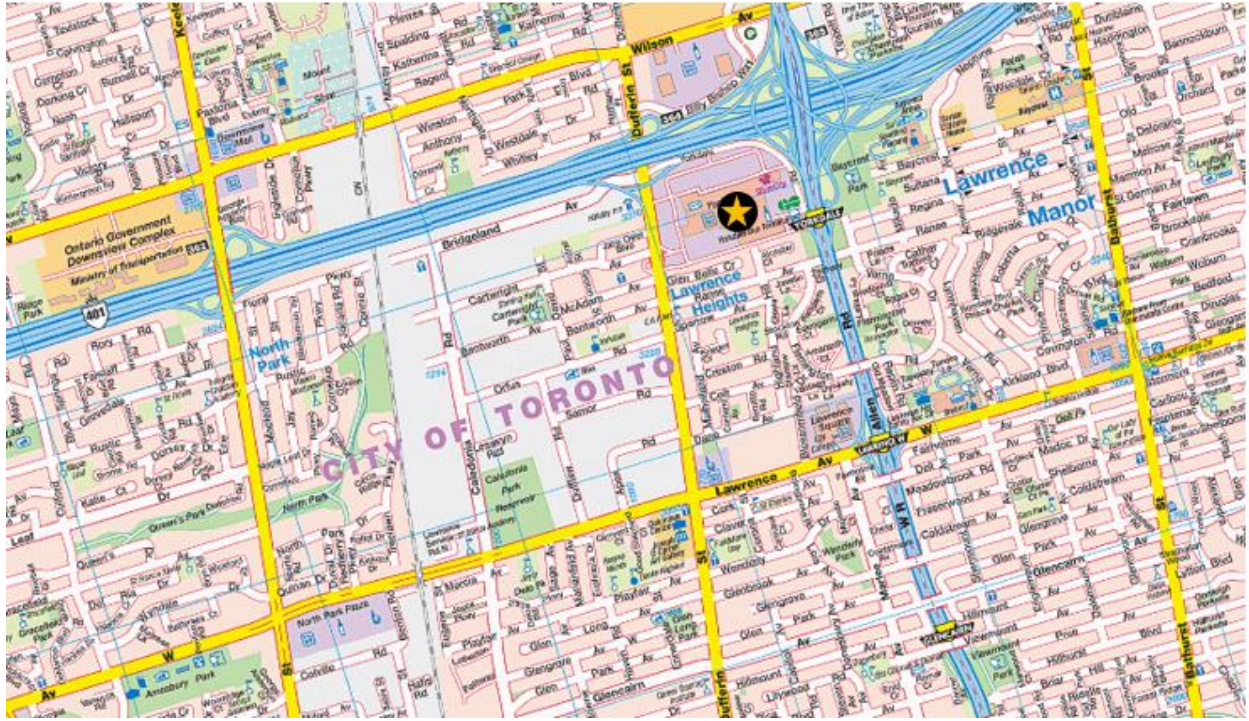
Contact Name: Anders Knudsen

DAF Tracking No.: 2024-107	Date	Signature
Recommended by: Manager, Real Estate Services Niall Robertson	May 22, 2024	Signed by Niall Robertson
Recommended by: Director, Real Estate Services Alison Folosea	May 28, 2024	Signed by Alison Folosea
<input checked="" type="checkbox"/> Recommended by: Executive Director, Corporate Real Estate Management <input type="checkbox"/> Patrick Matozzo <input type="checkbox"/> Approved by:	May 29, 2024	Signed by Patrick Matozzo
<input checked="" type="checkbox"/> Approved by: Deputy City Manager, Corporate Services David Jollimore	May 29, 2024	Signed by David Jollimore

Schedule "A"
Key Terms and Conditions

Head Landlord	Yorkdale Shopping Centre Holdings Inc. ("Yorkdale")
Sublandlord	City of Toronto
Subtenant	Arts Starts Neighbourhood Cultural Centre – 3401 Dufferin Street
Leased Premises	A portion of the Merchandising Plan Lower Level, the Community Room, including approximately 2,780 sq. ft. of office space in the basement. As per the attached floorplan included herein as Schedule A .
Term	5 years
Commencement	May 1, 2023
Expiry	April 30, 2028
Basic Rent	\$2.00 per annum plus all applicable taxes.
Additional Rent	Any additional costs payable to the City as sublandlord for any service which is requested by the subtenant in addition to any services provided by the sublandlord as part of normal service to the lands. Currently no additional rent is estimated to be payable.
Net Lease to Sublandlord	The Agreement shall be absolutely net to the City. Any obligation which is not stated to be that of the City shall be the Subtenant's responsibility.
Condition of Leased Premises	The Subtenant will accept the Leased Premises, in an "as is" condition.
Permitted Use	<p>The Tenant agrees that it shall only carry out the following use at the Leased Premises: The Subtenant shall use the Subleased Premises, and any profits or other accretions to the Subtenant, shall be used at the Subleased Premises, solely for the purpose of a community art centre offering art programs and courses for seniors, adults, youth and children including painting, pottery, and needle craft courses (as set out in its Service Agreement, and for no other purpose whatsoever (the "Permitted Use"), and promoting and carrying out those objects and activities set out its letters patent/articles of incorporation/approved Revenue Canada application for registered charitable status designation under the Income Tax Act of Canada, R.S.C. 1985, c. 1, as amended, provided that the same is in compliance with the Permitted Use.</p> <p>The Tenant shall pay all expenses and obtain and maintain at all times, all permits, licenses and authorizations necessary to carry on its Permitted Use; The Tenant shall at all times comply with the terms and conditions of the Service Agreement between the Landlord and the Tenant relating to the Tenant's use of the Leased Premises.</p>
Subtenant's Insurance	<p>Per Section 10 of the original lease. The Subtenant has submitted two COIs that meet all Sublandlord insurance requirements as listed below.</p> <p>a) CGL not less than five million dollars (\$5,000,000.00) per occurrence.</p> <p>b) Tenant's Legal Liability (\$1,000,000).</p> <p>c) Sublandlord has been added as additional insured.</p>

Schedule "B" Location Map and Floor Plan



Schedule A Merchandising Plan Lower Level

