

**MOTION WITHOUT NOTICE****Amendment of Below Market Rent Lease – For Youth Initiative - 1652 Keele Street**

**Moved by:** Councillor Di Giorgio

**Seconded by:** Councillor Nunziata

**SUMMARY:**

In 2006, the Government of Ontario started the Youth Challenge Fund (“YCF”) with \$15 million, with the YCF potentially reaching \$45 million, based on private sector funding of \$15 million to be matched by a further \$15 million Provincial government investment. The 13 priority neighbourhoods identified by the City of Toronto and The United Way are to be the beneficiaries of the YCF through investments in “youth-driven initiatives”. The United Way is the Trustee of the YCF under the Provincial Youth Challenge Fund Administration Agreement dated May 11, 2006 (Ministry of Children and Youth Services).

The United Way of Greater Toronto, as Trustee for YCF, has agreed to disburse to For Youth Initiative (“FYI”) an amount of \$1,380,001.00 over a three-year period “to renovate and furnish the basement level of 1652 Keele Street into a youth designated space”. Part of the funds are also to be utilized for programming, including involvement of the youth in the renovation project. 1652 Keele Street is a City-owned building, a portion of which is currently leased to FYI for a five-year term (November 15, 2005 to November 14, 2010).

One condition of funding approval is a Letter of Commitment from the City of Toronto for the provision of a long-term lease agreement including operating costs. YCF requires a 10-year lease term (i.e., from 2008) to satisfy this requirement. This funding approval is tied to the renovation of this space and implementation by this youth group. Failure to obtain confirmation from the City on the lease arrangements will mean that the condition cannot be satisfied, with the result that the funding may be withdrawn.

This matter is urgent, in order to secure funding, enable the Architects to commence renovation drawings and enable the City to hire contractors willing to work with youth so that construction can commence in early spring. Co-ordination with various training programs able to provide the youth involved with certain construction skills needs to be undertaken and construction schedules need to be harmonized with other tenants in the building.

At its meeting of November 19 and 20, 2007, City Council adopted the report entitled “Providing City-Owned Space to Community Organizations at Below-Market Rent”. Where there is no negative financial impact on the City, Council granted authority to enter into lease and service agreements with eligible existing below-market rent tenants in accordance with the terms and conditions outlined in the Policy on City-Owned Space Provided at Below-Market Rent, and in a form acceptable to the Chief Corporate Officer, the City Solicitor and the relevant programming City Division. If the request for renewal of FYI’s lease were for a 5 year period, it would fall under the delegated authority within this policy.

However, FYI’s proposed lease amendments cannot be made under the existing delegated authority because:

1. the requested 10 year term extension exceeds the delegated authority to approve; and
2. the delegated authority does not include the ability to approve additional space.

In this unique situation where \$1.3 million of YCF funding depends on these lease amendments, it is recommended that an exception be made to the existing policy.

## RECOMMENDATIONS:

1. That City Council authorize the amendment to For Youth Initiative’s Lease with the City to include approximately 1,600 additional square feet in the basement of the building located on the property known municipally as 1652 Keele Street and to extend the term of the Lease until November 14, 2018, substantially in accordance with the terms set out in Attachment “A” to this Motion and on such other terms as may be satisfactory to the Chief Corporate Officer and in a form acceptable to the City Solicitor, in order to meet the funding requirements of the Youth Challenge Fund.
2. That City staff be authorized and directed to take the necessary steps to give effect thereto.

December 1, 2008  
Attachment

### According to Chapter 27, Council Procedures:

Fiscal Impact Statement provided	
Should have Fiscal Impact Statement prior to debate	*
Requires two-thirds to waive requirement if Council wishes to debate	
Is before Council for debate	(v)
Chair agrees that the Motion Recommendations are <b>Urgent</b>	(v)

\* Deputy City Manager and Chief Financial Officer to advise.