

## **Leasing 5 Bartonville Avenue East to Urban Arts Community Arts Council**

<b>Date:</b>	June 17, 2009
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer and Executive Director, Social Development, Finance and Administration
<b>Wards:</b>	11 – York South-Weston
<b>Reference Number:</b>	P:\2009\Internal Services\F&re\Gm09054F&re – (AFS 9888)

### **SUMMARY**

---

The purpose of this report is to obtain City Council authority to enter into a new Below Market Rent (BMR) lease agreement with a community agency, UrbanArts Community Arts Council, for the use of City property at 5 Bartonville Avenue East in the Weston-Mt. Dennis priority neighbourhood. The proposed tenancy is for a term of five years commencing July 8, 2009, with one five-year renewal option. The BMR lease to UrbanArts will increase youth focused programs in a priority neighbourhood, and is consistent with Council’s priority to create strong, safe neighbourhoods through strategic service infrastructure investments.

### **RECOMMENDATIONS**

---

The Chief Corporate Officer and Executive Director, Social Development, Finance & Administration (SDF&A) recommend that:

1. City Council authorize the Chief Corporate Officer to enter into a Below Market Rent tenancy agreement with UrbanArts Community Arts Council, for a five (5) year term, with the option to renew for one five-year term substantially based on the terms and conditions set out in the attached Appendix “A”, and any other terms and conditions acceptable to the Chief Corporate Officer, or his or her designate, and in a form acceptable to the City Solicitor;
2. City Council authorize the Chief Corporate Officer to administer and manage the lease agreement including the provision of any consents, approvals, notices and

- notices of termination provided that the Chief Corporate Officer may, at any time, refer consideration of such matters (including their content) to City Council for its determination and direction; and,
3. City Council grant an exemption to the Below-Market Rent (BMR) Policy that requires a "Request for Proposal (RFP)" to determining the BMR tenant at 5 Bartonville Avenue East.

### **Financial Impact**

In 2009, City Council approved capital funding for establishing the Weston-Mt. Dennis youth skills development hub through the Partnership Opportunities Legacy Fund. Total project costs were estimated at \$500,000, of which \$350,000 is to be funded by City debt, with the remaining \$150,000 to be raised from other partner donations. These funds will be used to renovate the 5 Bartonville Avenue East site in order to bring it up to a state of good repair and create usable community space.

Originally, it was anticipated that the project would be implemented over a two year period with projected cash flow of \$50,000 (debt funded) in 2009 and \$450,000 (requiring debt funding of \$300,000) in 2010. The City's investment has leveraged an additional estimated \$315,000 in funding and in-kind support for this initiative, of which \$125,000 must be used by December 31, 2009. In order to utilize the third party funding, the project needs to be accelerated and funding made available earlier than originally assumed. Facilities and Real Estate identified surplus funding of \$300,000 in its 2009 Capital Budget, which could, together with \$50,000 already in the 2009 Capital Budget for Parks, Forestry and Recreation as a part of the original funding approval, and community donations of \$150,000, be utilized to complete the project in 2009.

Appropriate 2009 Capital Budget adjustments, including the addition of a new project to the Facilities and Real Estate Budget, reallocation of available surplus funds, and the 2009 approved funding from Parks, Forestry and Recreation, will require Council's approval by a separate Motion with Notice since there are no scheduled meetings of the Budget Committee until the fall of 2009.

Once renovated, the 5 Bartonville Avenue East site will be leased to a community agency, UrbanArts to consolidate its youth programming at this site and house and operate the ProTech Media Centre. In accordance with the City's Below Market Rent Policy, Social Development, Finance & Administration staff conducted a review of both the Tenant's eligibility and ability to pay rent and have determined that the Tenant should follow the traditional BMR format being \$2.00 per annum net rent, plus all operating costs and any applicable taxes. The opportunity costs of entering into this BMR lease for the five year lease plus the five year renewal term is estimated at \$375,000.

The Deputy City Manager & Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

The Community Safety Plan (2004) and the Toronto Strong Neighbourhoods Strategy (2005) identified Weston-Mt. Dennis as one of the 13 priority neighbourhoods in need of service infrastructure investment, especially for youth. These City policy frameworks equate strong, safe neighbourhoods with solid service infrastructure investment to meet community needs. They call for the City to be a leader in supporting new opportunities for building, renovating and administering service infrastructure, and to leverage City resources in funding partnerships with community and private sector partners.

5 Bartonville Avenue East is a vacant City works yard, with buildings that were used to house a Transportation Services sign shop. Currently, the property does not produce any income and requires approximately \$350,000 in capital investment to make it marketable for use.

The Property Management Committee has considered and approved the use of the site for a youth skills hub, and transferred the jurisdiction of the property to Facilities & Real Estate. The property will be leased to a non-profit organization under the BMR Policy. Social Development, Finance & Administration will be responsible for managing the service agreement, monitoring implementation, and determining how allocated funds will be used.

The subject property is also part of the Yard Consolidated Study (Etobicoke York District). Through an extensive review process Facilities & Real Estate has determined that this property is no longer needed for yard purposes, and will be reporting separately to Council with this advice.

This site is an ideal location for a youth skills hub because it is geographically located at the heart of the Weston-Mt. Dennis community. The building, once renovated, will enable UrbanArts to consolidate its youth programming at this site and house and operate the ProTech Media Centre. Community consultation indicated that this location is the most accessible to youth and residents in this priority neighbourhood and in close proximity to public transit.

## **ISSUE BACKGROUND**

The Weston-Mt. Dennis Neighbourhood Action Team identified an urgent need to invest in community space to house and deliver youth social and recreational opportunities, employment/training and community services. Through the City's Partnership Opportunities Legacy (POL) Fund process, the Neighbourhood Action Team has been working with community partners to find opportunities to invest and deliver youth focused services in the neighbourhood.

The POL Fund initiative was created by Council to identify and fund partnership-based community infrastructure and capacity enhancements and give priority to youth focused initiatives at the neighbourhood level. The POL Fund initiative is a partnership process that requires staff to work collaboratively with local residents, ward councillor and funding partners through the City's Neighbourhood Action Team, to identify

neighbourhood investment priorities and opportunities to leverage POL funding for community benefits.

Through the POL Fund process initiated in December 2007, the City has been working with community partners in the Weston-Mt. Dennis neighbourhood to prioritize capital infrastructure priorities. Through this process and extensive community consultation the youth skills hub concept was developed, and both UrbanArts and the Weston Road-Eglinton Avenue area were identified as the ideal operator and location for the new ProTech Centre and youth hub. Funding has been secured based on this understanding.

UrbanArts was founded in 1988 as Arts York. UrbanArts is a non-profit Community Arts Council focused on enhancing neighbourhoods by engaging youth in community development through the arts. It is an established Weston-Mt. Dennis based youth organization with a financial relationship with the City of Toronto that is in good standing.

UrbanArts will be the operating partner for the ProTech Media Centre and provide anchor programs as identified in the development of the project. UrbanArts' mandate and programming are closely aligned with the youth needs and priorities of the neighbourhood, and as an organization they are recognized to have the capacity to achieve the objectives of this initiative. UrbanArts has passed the Below-Market Rent (BMR) eligibility review and qualifies as a BMR tenant.

This report recommends an exemption of the Request for Proposal (RFP) requirement contained in the BMR policy for determining a BMR tenant at 5 Bartonville Avenue East. While the BMR policy calls for an RFP to determine a community agency for tenancy in a city-owned space designated for community use, the extensive POL Fund process pursued to develop this opportunity satisfies the BMR policy requirements for openness, transparency and accountability, and ensures an appropriate agency, UrbanArts, for the new community space.

Microsoft Canada, Humber College, and Renewed Computer Technology have committed funding and in-kind support for this initiative in the 2009 fiscal year. Weston-Mt. Dennis is the second of 4 priority neighbourhoods to receive the investment of a ProTech Media Centre. The first, the Rexdale Media Centre, has served 1147 participants since opening its doors in July 2007. It is anticipated that the Weston-Mt. Dennis Centre will have a similar local impact.

## **COMMENTS**

Facilities & Real Estate staff have worked closely with Social Development, Finance & Administration staff and they have determined that 5 Bartonville Avenue East is a suitable location for the establishment of a youth skills hub and can accommodate the needs of UrbanArts. UrbanArts has agreed that they will be able to deliver their services within the space allocated and have agreed to pay all operating costs and leasehold improvements.

Facilities and Real Estate staff consider the terms and conditions of this agreement to be fair and reasonable. The establishment of a youth skills hub and ProTech Media Centre in the Weston-Mt. Dennis neighbourhood will provide vital youth programs and services in this under-served community, and will engage young people to take positive steps in their lives. This initiative is uniquely positioned to meet this service gap and will leverage strong community partnerships.

## **CONTACT**

Joe Casali,  
Director, Real Estate Services  
Tel: (416) 392-7202  
Fax: (416) 392-1880  
[jcasali@toronto.ca](mailto:jcasali@toronto.ca)

Denise A. Campbell, A/Director  
Community Resource  
Social Development, Finance &  
Administration  
Tel: (416) 392-8608  
Fax: (416) 392-8492  
[dcampbe6@toronto.ca](mailto:dcampbe6@toronto.ca)

## **SIGNATURE**

---

Bruce Bowes, P. Eng.  
Chief Corporate Officer

---

Chris Brillinger  
A/Executive Director  
Social Development, Finance &  
Administration

## **ATTACHMENTS**

Appendix "A" Major Terms & Conditions – UrbanArts Community Arts Council  
Appendix "B" Location Map