

Amendment to Lease Agreement with Shining Through Centre for Children with Autism at 305 Greenfield Avenue

Date: June 28, 2021

To: General Government and Licensing Committee

From: Executive Director, Corporate Real Estate Management

Wards: 18 - Willowdale

SUMMARY

The purpose of this report is to seek City Council ("Council") authority to amend the terms of a below market rent lease agreement with Shining through Centre for Children with Autism (the "Tenant") for the property known as 305 Greenfield Avenue (the "Leased Premises"), as previously authorized by Council, to permit the Tenant to perform capital work on behalf of the City. A preliminary total cost estimate values the work at \$3,000,000 (exclusive of Harmonized Sales Tax). Of that total value, \$2,500,000 is attributed to Accessibility for Ontarians with Disabilities Act compliance work and \$500,000 is attributed to State of Good Repair work (the "Work").

The subject amended lease term was inadvertently excluded from the recommendations in a previous report on this matter, and this report seeks to obtain Council authority to fund the Tenant for the Work.

RECOMMENDATIONS

1. City Council authorize the Executive Director, Corporate Real Estate Management, to amend the terms of the below market rent lease between the Shining Through Centre for Children with Autism, as tenant, and the City of Toronto, as landlord, to permit the tenant to perform and fund the tenant in respect of State of Good Repair and Accessibility for Ontarians with Disabilities Act compliance work on behalf of the Landlord with a preliminary estimated value of \$3,000,000, exclusive of Harmonized Sales Taxes, on terms and conditions satisfactory to the Executive Director, Corporate Real Estate Management, including compliance with the City's fair wage policies and labour trade contractual obligations, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

The City will fund the Tenant to perform State of Good Repair and Accessibility for Ontarians with Disabilities Act compliance work on the City-owned building at 305 Greenfield Avenue. A preliminary cost estimate values the State of Good Repair and Accessibility for Ontarians with Disabilities compliance work at \$3,000,000, exclusive of Harmonized Sales Tax. Funding is available in the 2021 - 2030 Council Approved Capital Budget and Plan for Corporate Real Estate Management under capital project CCA242-02.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

On April 7 and 8, 2021, City Council adopted Item GM18.7, amending the lease agreement with the tenant to include an option to renew for a period of five (5) years. The Tenant will also be provided with a right of termination and a six (6) month fixturing period.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM18.7>

On March 28 and 29, 2017, City Council adopted GM18.7 and authorized a new lease agreement with the Tenant at the Leased Premises, for nominal consideration for a term of five (5) years without a renewal right.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.GM18.7>

On November 19 and 20, 2007, City Council adopted EX13.3 and authorized five organizations providing provincially mandated services to continue to occupy their respective City-owned spaces at below market rent.

<https://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-11-19-cc14-dd.pdf>

On August 1, 2, 3 and 4, 2000, City Council adopted the recommendations of the Administration Committee Report No. 16 that authorized the lease agreement between the City of Toronto (the "City") and The Learning Centre for Children with Autism at 250 Beecroft Road.

<http://www.toronto.ca/legdocs/2000/agendas/council/cc/cc000801/adm16rpt/cl003.pdf>

COMMENTS

Shining Through Centre for Children with Autism (the "Tenant") is a below market rent tenant of a City-owned building located at 250 Beecroft Road. The Tenant is responsible for all applicable costs related to the premises, except capital repairs and replacement costs. In 2015, the City determined that 250 Beecroft Road was not

suitable for the Tenant, as it had been earmarked for a proposal to create a cultural centre in North York.

On March 28 and 29, 2017, City Council authorized a new below market rent lease agreement (the "Agreement") with the Tenant for nominal consideration for a term of five (5) years at 305 Greenfield Avenue (the "Leased Premises"), another City-owned building. The City and Tenant were unable to come to terms on the new lease agreement, leading the Tenant to continue to occupy the premises at 250 Beecroft Road.

City staff is currently working with the Tenant on its relocation from 250 Beecroft Road to the Leased Premises. During negotiations, it was agreed between the Tenant and Corporate Real Estate Management that the Tenant would complete, and the City would fund the Tenant for leasehold improvements to the entire building. A preliminary total cost estimate values the work at \$3,000,000 (exclusive of Harmonized Sales Tax). Of that total value, \$2,500,000 is attributed to Accessibility for Ontarians with Disabilities Act compliance work and \$500,000 is attributed to State of Good Repair work (the "Work"). Construction is expected to be completed in the first quarter of 2022.

On April 7 and 8, 2021, City Council adopted certain amendments to the lease providing the Tenant with an option to renew for five (5) years, and a termination right and a six (6) month fixturing period. This staff report made reference to the agreement to permit the Tenant to do the Work on behalf of the City, and the City to fund the Tenant for such Work, however, it was excluded in error from Appendix A as an authorized amendment.

Securing authority for this further amendment is time-sensitive by virtue of the Tenant's construction timelines. Without Council authority to proceed with the Work by the Tenant, completion of leasehold improvements would be significantly impacted, resulting in considerable delays and additional costs to both the City and the Tenant.

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SIGNATURE

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