

## **Amendment to Proposed Land Lease of part of the City-owned Property at 311 Staines Road to Tamil Community Centre**

**Date:** November 16, 2021

**To:** General Government and Licensing Committee

**From:** Executive Director, Corporate Real Estate Management and City Solicitor

**Wards:** 25 - Scarborough-Rouge Park

### **REASON FOR CONFIDENTIAL INFORMATION**

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Confidential Attachment 1 contains confidential instructions to staff and legal advice from the City Solicitor relating to potential litigation.

### **SUMMARY**

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In October 2020, City Council authorized the City (as the "Landlord") to enter into a land lease (the "Land Lease") with the principals of the Tamil Community Centre (as the "Tenant") for part of the south parcel of the City-owned property at 311 Staines Road (the "Property") to construct a new community centre which will serve the community as a whole, while providing a focus on serving the Tamil community in particular.

This report seeks City Council approval to amend some of the terms of the previously approved proposed Land Lease to the Tamil Community Centre.

Confidential Attachment 1 contains confidential instructions to staff and legal advice from the City Solicitor relating to potential litigation.

### **RECOMMENDATIONS**

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The Executive Director, Corporate Real Estate Management and the City Solicitor, recommend that:

1. City Council authorize the amendment of certain terms for the Land Lease between the City, as the Landlord, and the principals of the Tamil Community

Centre, as the Tenant, for part of the south parcel of the City-owned property at 311 Staines Road, as outlined in Attachment 1 of this report, and on such other terms and conditions to be agreed between the Landlord and the Tenant, as may be approved by the Executive Director, Corporate Real Estate Management, and in a form satisfactory to the City Solicitor.

2. City Council adopt the confidential instructions to staff in Confidential Attachment 1.

3. City Council direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains advice which is subject to solicitor-client privilege.

## **FINANCIAL IMPACT**

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The financial implications are discussed in Confidential Attachment 1.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial impact information.

## **DECISION HISTORY**

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At its meeting on October 27, 2020, City Council by its adoption of GL16.8, authorized a Land Lease with Tamil Community Centre, as the Tenant, for the design, build, finance and operation of a new not-for-profit Community Recreation Facility on part of the south parcel of the City-owned property at 311 Staines Road.

<https://www.toronto.ca/legdocs/mmis/2020/gl/bgrd/backgroundfile-156883.pdf>

## **COMMENTS**

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In October 2020, City Council authorized the City, as the Landlord, to enter into a Land Lease with the principals of the Tamil Community Centre ("T.C.C."), as the Tenant, for part of the south parcel of the City-owned property at 311 Staines Road for \$1.00 (plus Harmonized Sales Tax). The Land Lease includes, but is not limited to, the following key terms: (a) net lease for an initial term of 30 years with one option to extend for 10 years; (b) the Tenant will provide a capital investment estimated at \$30,000,000.00 to build a community centre; and (c) the Property shall be used to operate a not-for-profit publicly accessible community centre.

The T.C.C. has now requested amendments to some of the terms and conditions of the Land Lease, including changes to the following terms and conditions: (a) Tenant Leasehold Financing; (b) Tenant Assignment, Transfer, Sublease; (c) Ownership of Community Centre; and (d) Letter of Credit, as outlined in Attachment 1. Confidential Attachment 1 contains confidential advice to staff and legal advice from the City Solicitor

relating to potential litigation that may arise from the proposed amendments to the terms and conditions of the Land Lease.

## **CONTACT**

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## **SIGNATURE**

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Patrick Matozzo  
Executive Director, Corporate Real Estate Management

Wendy Walberg  
City Solicitor

## **ATTACHMENTS**

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Attachment 1 - Amendment of Terms and Conditions  
Confidential Attachment 1 - Confidential Instructions to Staff

## **Attachment 1 - Amendment of Terms and Conditions**

*Tenant Leasehold Financing:* The Tenant may assign its leasehold interest in the Land Lease and/or enter into a leasehold mortgage, as security for a loan to the Tenant for the purpose of constructing or operating the community centre, subject to securing the City's prior written consent, not to be unreasonably withheld. A request for consent shall be accompanied by payment of the processing fee in accordance with City of Toronto Municipal Code, Chapter 441, Fees and Charges, and by such information and documentation as reasonably required by the Executive Director, Corporate Real Estate Management (the "Executive Director").

*Assignment, Transfer, Sublease:* The Tenant may assign, transfer or sublease the Land Lease, subject to securing the City's prior written consent, not to be unreasonably withheld. A request for consent shall be accompanied by payment of the processing fee in accordance with City of Toronto Municipal Code, Chapter 441, Fees and Charges, and by such information and documentation as reasonably required by the Executive Director.

*Ownership of Community Centre:* During the term and any extended term, the community centre shall be owned by the Tenant. Upon expiration or earlier termination of the Land Lease, whether by forfeiture, termination, passage of time or otherwise, the community centre shall automatically become the property of the City, free and clear of all encumbrances, except for encumbrances existing as of the date of the Land Lease, and in the state and condition provided for in the Land Lease.

*Performance Bond:* The Letter of Credit equal to up to 50% of the budgeted value of construction is removed, and replaced with a 100% performance bond and a 100% labour and materials bond to secure completion of construction of the community centre, with the City and T.C.C. as obligees/beneficiaries, on terms and conditions acceptable to the Executive Director, to be delivered to the Executive Director on or before commencement of construction. Progress payments for construction of the community centre shall be monitored and verified by a quantity surveyor acceptable to the City, as certified by a project architect acceptable to the City.