

TORONTO STAFF REPORT

June 30, 2003

To: Administration Committee

From: Commissioner Economic Development, Culture and Tourism

Subject: Results of the Request for Proposals No. 9118-03-7112 for the Lease and Adaptive Reuse of the Heritage Wychwood Car Barns – Progress Report
76 Wychwood Avenue
(Ward 21, St. Paul's)

Purpose:

The purpose of this report is to advise Council on the results of the City's Request for Proposals (RFP) No. 9118-03-7112 for the lease and adaptive reuse of the heritage Wychwood Car Barns and to obtain authority to clarify sources of capital funding and the costs of site development.

Financial Implications and Impact Statement:

There are no financial implications resulting from the adoption of this report.

Recommendations:

It is recommended that:

- (1) authority be granted to the Commissioner of Economic Development Culture and Tourism to enter into discussions with Toronto Artscape Inc. regarding possible sources of capital funding for the adaptive re-use of the Wychwood Car Barns that would not require the City to assume significant financial responsibilities;
- (2) authority be granted to the Commissioner of Economic Development Culture and Tourism to conduct research on site development costs including the cost of site remediation, servicing, and planning approvals for the Wychwood Car Barns: and
- (3) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

Background:

The City of Toronto acquired 76 Wychwood Avenue, the Wychwood Car Barns site, from the Toronto Transit Commission in November 1998. The 4.32-acre site is located south of St. Clair Avenue West, and is bounded by Christie Street to the west, Benson Avenue to the north and Wychwood Avenue to the east.

The buildings on the site consist of five former TTC streetcar maintenance barns built between 1913 and 1921. A preliminary architectural, structural, mechanical and electrical report prepared in 2001 by Phillip Goldsmith & Company Ltd. Architects notes that all of the barns are structurally sound and well suited for adaptive reuse.

The Wychwood Car Barns are an important heritage feature of the City of Toronto. No other car barns of this age remain that display many original building elements, are publicly accessible and form an integral historical part of the surrounding community. The barns are listed in the City of Toronto's Inventory of Heritage Properties for their architectural and historical significance.

The current zoning for the property is 'Tr' which permits a wide variety of transit and railway uses, but not the uses contemplated for the Wychwood Car Barns site in the RFP. An amendment to the zoning by-law is therefore required.

The Official Plan for the former City of Toronto designates the Wychwood Car Barns site as a Low Density Residence Area, which would permit a variety of low-scale residential, parks and open space and local institutional uses.

Council adopted a new Official Plan for the City in November, 2002, which has been appealed in its entirety and is before the Ontario Municipal Board and not yet in force. The new Official Plan designates the Wychwood TTC yard site as 'Parks and Open Space Area' which would permit an array of parks and open space uses as well as cultural and recreational facilities. If residential or live-work uses are part of a proposal for this site, an Official Plan amendment would be required. As well, the new Official Plan prohibits the disposal of City-owned lands that are designated as 'Parks and Open Space'. Should this policy come into force, it would prohibit the disposal of the site and a site specific policy would be required in the Plan to permit Council to authorize the long-term lease of the site. Any required Official Plan amendments could be processed concurrently with the required zoning by-law amendment.

The public engagement surrounding the possible adaptive reuse of the Wychwood Car Barns has been extensive. Through numerous public meetings, e-mail feedback, site tours, a design charette, opinion surveys etc., it is clear that the local community is passionate about the future use of the Wychwood Car Barns site.

At its meeting held on November 26, 27 and 28, 2002 and its special meeting held on November 28 and 29, 2002, City Council adopted Clause No. 21 in Report No. 9 of the Midtown Community Council entitled "Wychwood Barns (St. Paul's – Ward 21)". In so doing, Council

endorsed in principle the adaptive reuse of the Wychwood Barns and the retention of two barns for indoor purposes and two barns for outdoor and green purposes. Council also directed that the adaptive reuse was to include a possible mix of not-for-profit, non-commercial uses such as, but not limited to, artist live/work units and artists work only units, offices/programming spaces, a meeting/rehearsal facility, indoor community gardens, a community/arts anchor space, public washrooms, a greenhouse, sheltered garden, bake oven, children's play space, a covered street or wintergarden, a day-care centre, skate park and café. Planning staff were requested to bring forward zoning bylaws to permit these uses.

Furthermore, City Council requested that the Commissioner of Economic Development, Culture and Tourism prepare a Request for Proposal (RFP) package with all pertinent background information to date for the reuse of the Wychwood Car Barns for not-for-profit, non-commercial uses, in order to solicit possible interested parties who would partner with the City for the adaptive reuse of the Wychwood Car Barns.

Toronto Artscape Inc. ("Artscape"), a non-profit organization that provides space for artists and the arts, has consistently expressed interest in the Barns and was expected to respond to the RFP.

Comments:

Request for Proposals No. 9118-03-7112 for the lease and adaptive re-use of the Car Barns was issued on May 14, 2003. The RFP was sent to two hundred and eleven firms and was also advertised on the City's internet website. The RFP closed on June 12, 2003 at noon and resulted in one proposal, which was submitted by Artscape.

The Proposal:

Artscape proposes a "Green/Arts Barns Project" that would "encompass an ecology of uses in a dynamic environment that incubates ideas, collaborations and initiatives that serve the arts and green agendas". The site would operate as a multi-tenant, non-profit centre made up of four program areas or components. Each of the following components would contribute in different ways to the vision and programming of the site:

- (1) the Studio Barn (northernmost 1921 Barn) would include 22 artist's live/work units and 10 work studios leased to artists and their families at affordable rents;
- (2) the Covered Street/Wintergarden (1913 Barn) would provide a covered landscaped area for community events, exhibitions and festivals with year-round access to the public;
- (3) the Community Barn (1916 Barn) would provide programming, rehearsal, meeting and office space leased to 8-10 non-profit arts, environmental and community organizations at affordable rates; and
- (4) the Green Barn (immediately south of the 1916 barn) would provide a sheltered garden, green house and community bake oven. It is proposed that The Stop Community Food Centre, in association with Foodshare, would manage the Green Barn.

The staff evaluation team, consisting of representation from Finance, Parks, Real Estate Services, Cultural Affairs and Heritage Preservation Services, evaluated the Artscape proposal. The resulting scores averaged 74 out of a possible 100 points and were based on the following criteria:

- (1) relevant experience and qualifications of the proponent and project team;
- (2) compatibility with the City's vision for the site;
- (3) financial credibility of the proponent;
- (4) preliminary financial proposal including project viability, sustainability, capital investment in the site, quantum and timing of rent and other revenue to the City;
- (5) compatibility with heritage principles; and
- (6) creativity of the proposal.

Evaluated against these criteria, the Artscape proposal shows promise, as it is creative, aligned with the City's vision for the site, with a solid project team. However, the Artscape proposal would impose material financial and other responsibilities on the City and therefore staff are not prepared to recommend acceptance of the proposal in its current form.

Proposed City Role:

Artscape proposes that the City assume significant financial responsibilities in connection with the project. Specifically, Artscape proposes a partnership agreement with the City that requires the City to commit to raising \$2.3 million from a combination of sources including, but not limited to, Canada Infrastructure Program, Ontario Superbuild Fund, Green Municipal Funds and Toronto Atmospheric Funds.

There is some concern by staff as to the availability of funds from the sources identified. The City has identified other important initiatives that are currently in the process of seeking funding approval, including the capital funding through the Superbuild program for Casa Loma, and an application for funding for the Artscape proposal would be in competition with these initiatives. The likelihood of achieving the Artscape funding targets in the near to mid term (one to two years) may also be an issue, given the time required to prepare the applications, have the application reviewed by the funding authority, and be provided with a commitment of funding approval.

The Artscape proposal also requires the City to remove all hazardous materials and undertake remediation of all environmental contaminants from the site. No estimate is provided as to the cost of site remediation and further environmental investigations would be required before the scope and cost of required remediation could be determined. Under the Artscape proposal, the City would also be required to provide security for the mortgage financing to be obtained by Artscape. This security would likely take the form of loan guarantees.

Furthermore, the Artscape proposal requires the City to assume responsibility for zoning and site plan approvals and any impact studies required. This would require the City to obtain an Official

Plan amendment and a rezoning. The RFP indicated that the proponents were to assume these costs and take on responsibility for all planning requirements.

It is also proposed that the City would assume responsibility for site servicing, support an application by Artscape to the Let's Build program for funding for the live/work component of the project, lease the site to Artscape for 99 years at a rent of \$1 per year, and provide a \$500,000 cash contribution.

In order to determine if the Artscape proposal can be financially viable without the City assuming the level of financial and development responsibility Artscape has proposed, the City needs to have discussions with Artscape. It is recommended that authority be granted to the Commissioner of Economic Development Culture and Tourism to enter into discussions with Artscape regarding possible sources of capital funding for the adaptive re-use of the barns that would not require the City to assume significant financial responsibilities. In addition, the City needs to have a more complete picture of the costs of site development. It is recommended that authority be granted to the Commissioner of Economic Development Culture and Tourism to conduct research on site development costs, including the cost of site remediation, servicing, and planning approvals for the Wychwood Car Barns.

The Proponent:

Toronto Artscape Inc. was founded in 1986 and is a non-profit organization that creates space for the arts while building communities and revitalizing neighbourhoods. Artscape's property portfolio includes a unique mix of properties that offer low-cost studios, live-work spaces, offices and galleries to individual artists and non-profit arts organizations. With the strong support of the City of Toronto, Artscape has grown to become a significant non-profit, real estate development agency for the arts.

Celebrating its 16th anniversary this year, Artscape is an important cultural organization for the City of Toronto, and was founded at a time, much like today, when the real estate market was booming and artists and arts organizations were being evicted from warehouses to make way for higher paying tenants. In its early years, Artscape focused primarily on advocacy, working to raise awareness of the space issues and needs of the arts community among policy makers, politicians and whoever else would listen. Later, Artscape expanded into the development business, with a focus on artist-live/work space, as well as a new and multi-faceted arts centre model being designed to serve a broader constituency of the arts community. At any given moment, Artscape has seven or eight projects in development. The most recent Artscape development is a \$3 million heritage project that provides studio space for 60 non-profit arts organizations and individual artists in the Distillery Historic District. The City provides funding to Artscape and two City Councillors currently sit on their Board of Directors.

The City of Toronto derives considerable benefit from the work of Artscape in revitalizing local economies and strengthening communities. Artscape has pioneered artist-live/work space, built strong public/private sector partnerships and demonstrated a sound financial management system.

Conclusion:

Artscape was the only proponent that responded with a proposal to the City's RFP for the adaptive re-use of the Wychwood Car Barns.

Staff have reviewed the Artscape proposal and believe it has merit. However, there are several important financial and development issues that render the proposal unacceptable in its current form. The Commissioner of Economic Development Culture and Tourism needs to discuss with Artscape possible sources of capital funding that would not require the City to assume significant financial responsibilities. Also, further research is needed on the costs of remediation, servicing, and rezoning before proceeding further.

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