Lease to Flemo City Media at 29 St. Dennis Drive

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<th>August 26, 2009</th>
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<td>To:</td>
<td>Government Management Committee</td>
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<td>From:</td>
<td>Chief Corporate Officer and Executive Director, Social Development Finance and Administration</td>
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<td>Wards:</td>
<td>26 – Don Valley West</td>
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**SUMMARY**

The purpose of this Report is to obtain City Council authority to enter into a new Below Market Rent lease agreement with Flemo City Media for approximately 361 square feet of space located at 29 St. Dennis Drive in the Flemingdon Park priority neighbourhood. A Below Market Rent lease with Flemo City Media will facilitate program expansion for local youth in a priority neighbourhood, and as such, is consistent with Council’s mandate to create strong, safe neighbourhoods in certain priority areas.

**RECOMMENDATIONS**

The Chief Corporate Officer and the Acting Executive Director of Social Development, Finance and Administration recommend that:

1. City Council authorize a new Below Market Rent lease agreement with Flemo City Media, for a five (5) year term, based on the terms and conditions set out in the attached Appendix “A”, and other terms and conditions acceptable to the Chief Corporate Officer, 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.

3. City Council authorize the City Solicitor to complete the lease, deliver any notices, pay expenses and amend the commencement and other dates to such earlier or later date(s), on such terms and conditions, as she may, from time to time, determine.

4. City Council grant an exemption to the Below Market Rent Policy to allow Flemo City Media to become a tenant at 29 St. Dennis Drive without the need to solicit a request for proposals as required by the Below Market Rent Policy.

Financial Impact
The proposed agreement assumes a lease of 361 square feet of space for a nominal net rent consideration. All operating costs related to the building occupancy (currently estimated at $1,675 per year based on a rate of $4.64 per square foot) will be paid by the tenant, resulting in no cost to the City of Toronto.

In accordance with the City’s Below Market Rent Policy, the opportunity costs of entering into the Below Market Rent agreement must be determined and reported to City Council. Research indicates that the total opportunity cost of the lease over the 5-year term is approximately $13,645.00. If the lease is renewed for an additional 5-year term, the opportunity cost for the 5-year lease extension term is approximately $11,820.00, for a total opportunity cost of $25,465.00 over the ten year period.

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

DECISION HISTORY
Through the Community Safety Plan (2004) and the Toronto Strong Neighbourhoods Strategy (2005), the City identified Flemingdon Park as one of thirteen (13) priority neighbourhoods with a relative lack of community infrastructure. These City policy frameworks establish strong, safe neighbourhoods with solid service infrastructure investment to meet community needs, targeting youth.

Council adopted a report titled “Policy for City-Owned Space Provided at Below-Market Rent” at its meeting held on October 1-3, 2002. Subsequent reports on the policy were later adopted by Council including the “Implementation of the Policy for City-Owned Space Provided at Below-Market Rent” (adopted by Council on June 24-26, 2003), “Phase Two Implementation of the Policy on City-Owned Space Provided at Below-Market Rent” (adopted by Council on September 25-27, 2006), and “Providing City-Owned Space to Community Organizations at Below-Market Rent” (adopted by Council on November 19-20, 2007).

The Below Market Rent (BMR) policy establishes a framework for the provision of leased City-owned space to non-profit organizations at below-market rents where these
groups further the delivery of City programs and services, or provide functions that are consistent with Council’s objectives.

ISSUE BACKGROUND

The Dennis R. Timbrell Resource Centre is located in the heart of the Flemingdon Park priority neighbourhood at 29 St. Dennis Drive. The centre is located on a City-owned property which includes a recreation facility, public library and a daycare centre. The recreation facility includes a pool, gymnasium, weight and fitness room and a number of program rooms. Over the past two and half years, it has proven to be a suitable home to host Flemo City Media (FCM) programming. FCM has asked to enter into a formal BMR lease agreement for 361 sq. ft. of space within the Resource Centre.

The City of Toronto has a history of investment with FCM, beginning with the support of staff from the Parks, Forestry and Recreation (PF&R) Division who assisted with the engagement of youth to form the initial group in 2006. PF&R staff provided the emerging organization with space at the Dennis R. Timbrell Resource Centre for the live broadcast of their community radio program and to store their related equipment. City staff also worked with the group to develop their organization and establish a funding partnership with Foresters, a life insurance company located within the community, and broker matching multi-year funding from the Youth Challenge Fund.

Presently, FCM has developed a variety of media education and radio-oriented leadership programs for the youth of Flemingdon Park. FCM is a lead organization and a core member of the Youth Service Network established for service providers in the Flemingdon Park priority neighbourhood. They are prepared to accept the dedicated space for their programs to better serve the local youth. PF&R staff have reviewed the proposed site at the Dennis R. Timbrell Resource Centre and, given the history of FCM in the Resource Centre, agree that it is a suitable location for a BMR lease agreement with FMC.

This report recommends an exemption to the Request for Proposal (RFP) requirement contained in the BMR policy for determining a BMR tenant at 29 St. Dennis Drive. Community centres do not typically have BMR tenants on site. However, in unique circumstances where PFR staff and the local Neighbourhood Action Team of City staff from different divisions work with the community to identify a program need for the centre and its participants that may be best delivered in partnership with a community group, and where PFR staff have been critical in the development of such a program, and where an appropriate space exists within the Centre that will ensure uninterrupted program delivery, a BMR tenancy within a community centre is warranted. The engagement of both City and community partners in identifying the need and the community-based partner to deliver the program on-site satisfies the BMR policy requirements for openness, transparency and program accountability and ensures an appropriate agency such as Flemo City Media is provided the community space.
COMMENTS

Flemo City Media (FCM) operates a bi-monthly broadcast featuring a number of shows produced and arranged by youth of Flemingdon Park. Youth-led programming includes shows that focus on arts, entertainment, current affairs and money management. FCM are currently upgrading their website to offer podcast versions of these shows. They have also developed a youth Council in partnership with PF&R as mentorship and civic engagement opportunity for local youth. They are also a core partner in the City’s Neighbourhood Action partnership to provide local training and engagement opportunities. They are assisting the rollout of the “You Belong” Project, a participatory research project designed to train local youth to document service needs.

FCM has passed the Eligibility Review for City-Owned Below-Market Rent space. A dedicated program space for FCM through a BMR lease will enable increased participation of local youth in their broadcasts, radio show production, and web design initiatives, and facilitate increased audience participation, and increased referrals of neighbourhood youth to volunteer, leadership and employment opportunities offered by FCM and other Youth Service Network Partners.

FCM has contributed to the Flemingdon Park community by providing engaging, educational and pro-social programming. From its inception, FCM has supported community cohesion, community engagement and mentorship of youth. With the development of sustainable program space, FCM will continue to create safe environments for youth to express themselves artistic, learn life skills and increase the positive identification of Flemingdon Park community. By providing needed service infrastructure to create meaningful opportunities for local youth in a priority neighbourhood, FCM’s contributions are consistent with Council’s mandate to create strong and safe neighbourhoods in priority areas.
City staff consider the lease agreement to be fair, reasonable and within the scope of the City’s policy for below-market rent tenants.

CONTACT

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

Denise Andrea Campbell
A/Director, Community Resources
Social Development, Finance & Admin.
Tel: (416) 392-8608
Fax: (416) 392-8492
dcampbe6@toronto.ca

Doug McDonald
Manager, Business Services
Parks, Forestry and Recreation
Tel: (416) 392-8578
Fax: (416) 392-3355
dmcdona0@toronto.ca

SIGNATURE

Bruce Bowes, P. Eng.
Chief Corporate Officer

Lydia Fitchko
A/Executive Director
Social Development, Finance & Administration

ATTACHMENTS
Schedule “A” – Major Terms & Conditions
Schedule “B” – Location Map