

# Securing Cultural Benefits:

## Approaches to the Use of Section 37 for Arts and Culture Facilities

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## Part 1- Introduction

The purpose of this report is to examine Section 37 of Ontario's *Planning Act* and its use in the City of Toronto with reference to cultural space. It seeks to identify ways the City can be more effective in using Section 37 as a tool to support the creation and sustainability of cultural spaces. R.E. Millward & Associates Ltd. prepared this report, in association with Lord Cultural Resources, with input from City of Toronto staff to support the City's "Making Space for Culture" initiative.

The report highlights a variety of projects in which development activity has resulted in infrastructure that support the arts and culture in Toronto. It also reviews different approaches in other jurisdictions. These precedent projects provide insight on ways in which the use of Section 37 may be enhanced in Toronto for providing cultural amenities. In addition, the report offers recommendations through which the City of Toronto Cultural Services may be more proactive, consistent, and creative when facing opportunities to negotiate benefits arising from a Section 37 agreement.

The conclusions contained in this report have been informed by a series of community consultations led by Lord Cultural Resources with support from R.E. Millward & Associates, which have occurred throughout the city. Through these meetings, Cultural Services has been able to gather input from stakeholders in the arts and cultural community, as well as disseminate information about current approaches to Section 37 benefits in Toronto. The attendees offered valuable feedback regarding the way they use space for arts and culture purposes, the community's needs for creative places, and their priorities in "Making Space for Culture".

## Part 2 – Overview: Section 37 in Toronto

### Section 37 of the Planning Act

The term “Section 37” refers to a provision in Ontario’s *Planning Act* which allows municipalities to require a community benefit contribution as a condition of a zoning by-law amendment. Generally, only developments of a significant size and in which there is a significant increase<sup>1</sup> in height and/or density<sup>2</sup> qualify for Section 37. Such benefits are described as “facilities, services or matters” in the *Planning Act*, and are outlined in more detail in a municipality’s enabling by-law. The *Planning Act* specifies that municipalities must have Official Plan provisions that enable Section 37. Section 37 also entitles the municipality to enter into an agreement with land owners, outlining the process by which the City will receive the agreed-upon benefits. Figure 1 illustrates the relationship between community amenities and Section 37 agreements.

The City of Toronto’s policies regarding Section 37 of the *Planning Act* are found in Section 5.1.1 of the *Official Plan*. The *Official Plan* is a policy document which articulates Council’s goals and vision for the City’s future. Through Section 37 agreements, the City aims to support the city-building objectives in the *Official Plan* and to provide for the needs of new residents, workers and the local community (*Official Plan*, 5-2). The value of a Section 37 contribution depends on the scale of the related development and its required zoning by-law amendment. It can result in the provision or enhancement (through improvements, upgrading or repurposing) of area amenities such as “greenspace, community services and facilities, the bikeway network, arts and cultural facilities, the public transit system and other aspects of the public realm” (*Official Plan*, 5-2).

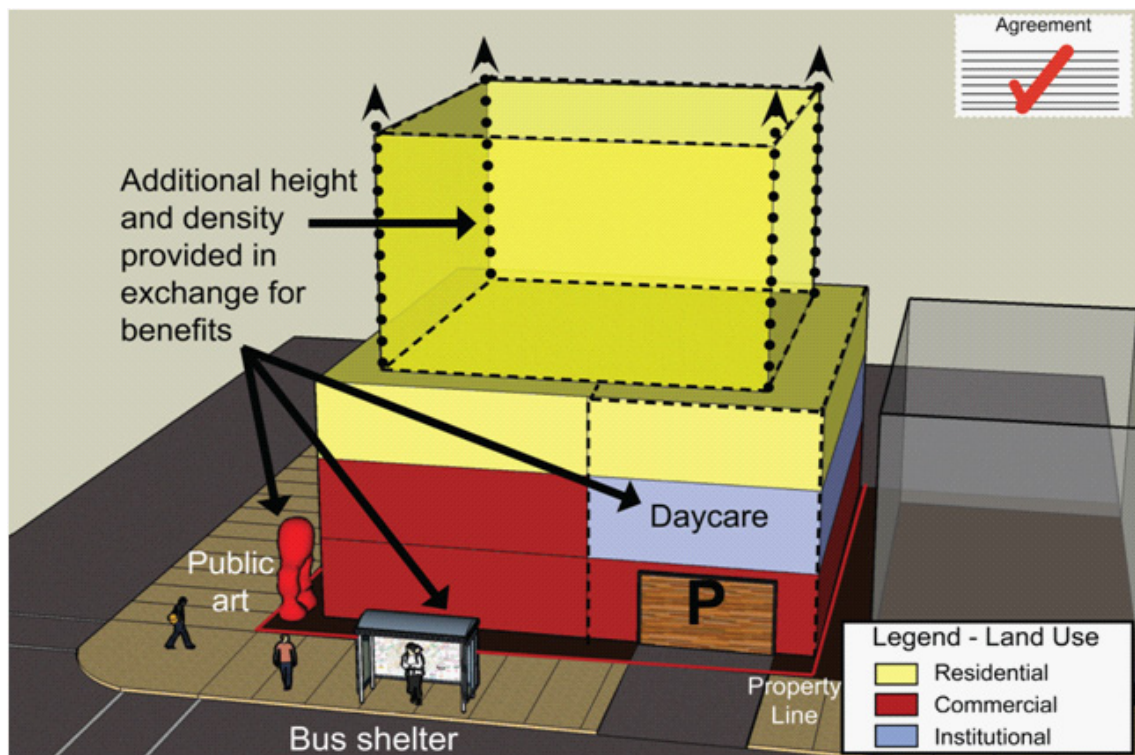


Figure 1: Benefits provided in exchange for additional density and/or height (Ministry of Municipal Affairs and Housing, 2008)

<sup>1</sup> The City’s zoning by-law permits a maximum development density for each site. When developers propose to exceed that maximum density, they must make an application to the City to amend the zoning by-law. The City can agree to amend the zoning by-law to allow increased density. While the relative scale of new development can differ according to its context, typically the City asks for Section 37 benefits only when the overall floor area of the development is greater than 10,000 square metres (about 108,000 square feet) and there is also either a density increase of at least 1,500 square metres (about 16,000 square feet) or a significant height increase beyond what is permitted by the zoning by-law.

<sup>2</sup> Density refers to the amount of built or buildable square metres on a site relative to the site’s area.

In 2007, City of Toronto Council adopted a set of *Implementation Guidelines for Section 37 of the Planning Act*, developed by the City Planning Division. Through the *Implementation Guidelines*, the City's Section 37 approach is addressed more thoroughly, covering details relating to specific types of contributions, as well as logistical issues related to the timing of payments and its relationship to other *Official Plan* policies.

### *Applicable Section 37 Benefits*

In the City of Toronto, Section 37 benefits are required to be either capital facilities<sup>3</sup>, or cash contributions which are allocated toward the provision of capital facilities. The City's *Official Plan* also outlines that the benefits provided should have a geographic relationship to the development site, improving the area's public amenities in a way that will enhance the surrounding community. The development itself must constitute good planning, "being consistent with the objectives of the *Official Plan* and respecting neighbourhood protection policies". A list of appropriate community benefits is identified in Section 5.1.1 of the *Official Plan*. Appropriate benefits are determined based upon the needs of the community in which development is occurring.

### *Valuation of Section 37 Benefits*

The monetary value and nature of the community amenities negotiated is unique to each site, taking into consideration the specific context of both the application and the surrounding community. In the City of Toronto, there is first a determination of whether the development represents good planning, and if the development involves height or density significantly greater than is permitted by the zoning by-law. The City then uses Section 37 to obtain benefits in return for that appropriate increase. In this way, Section 37 benefits are not the result of a bonus as the development density has already been deemed appropriate. Professional appraisers in the City's Real Estate Division use appraisal techniques to determine a range of land values associated with

the density increase, rather than a set formula or quantum. In addition, negotiations take place which involve the Ward Councillor. Benefits and their value are then determined on a site-by-site basis and are often driven by the Ward Councillor. In this sense, Section 37 negotiations have been described as being ad hoc, with each individual contribution considered based on its unique development, neighbourhood, and stakeholder context. It should be noted that in some instances, funds from many developments are attributed to one large capital project<sup>4</sup>.

### *Key Actors in the Section 37 Process*

In addition to *Implementation Guidelines*, City Council adopted a *Protocol for Negotiating Section 37 Community Benefits*. Through the *Protocol*, the City encourages the inclusion of a variety of stakeholders in the determination of community benefits, including "the Ward Councillor, City Planning staff, the local community and the relevant service provider(s) and facilitators" (*S.37 Implementation Guidelines & Negotiating Protocol, p.28*). The following key factors are identified as being important to the negotiation process:

- Consultation with Ward Councillor;
- Consultation with other City Divisions;
- Knowledge on the part of City Planning staff, Councillor or other City staff of local community needs;
- Council approved studies or assessments outlining community needs, including any advance assessment of community benefit priorities;
- Consultation with the local community; and
- Interests of the applicant.

Key to this list is the knowledge held by the Ward Councillor, City Staff, and even the applicant, of the local community's needs. It is through these participants that community members and interest groups, such as those supporting arts and culture, can communicate their needs.

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<sup>3</sup> Capital facilities include durable infrastructure and capital maintenance funds. For example streetscaping may be provided, as well as a fund to maintain it. This does not include operating, programming and non-capital maintenance funds.

<sup>4</sup> There have been cases in which a fund is created to so that many developments can create a larger benefit than would otherwise be achieved. An example of this is the Bloor Street revitalization. In addition, some benefits have received Section 37 contributions as just one part of their overall funding, with other contributions coming from fundraising, in-kind donations from the City, and loans.

## *Section 37 and the Provision of Cultural Amenities*

Section 37 has proven to be a valuable tool in garnering much-needed capital investment in the City's hard and soft infrastructure that might otherwise come from tax dollars. This includes construction or improvement to parks and recreation facilities, provision of daycare facilities on- or off-site, library enhancements, streetscape improvements, traffic calming measures, heritage preservation, transit infrastructure, rental housing replacement, and affordable housing. In recent years, the City has had some success in negotiating benefits specifically related to arts and cultural facilities, including performance and studio spaces and the adaptive reuse of significant heritage buildings. However, Section 37 commitments for arts and culture purposes occur far less frequently than other types of benefits.

### ***Strengths and Limitations of Section 37 as a tool for the Provision of Cultural Amenities***

#### Strengths

- Section 37 contributions are independent of the Cultural Services budget, and as a result they provide a complementary and alternative revenue stream.
- Section 37 agreements generate local community benefits which support the immediate area around a development.
- Funds from Section 37 agreements can be directed towards a specific cultural project, rather than a general fund.
- Benefits are secured as a condition of a binding by-law, passed by City Council to permit development. Development is then contingent upon the by-law's conditions. Changing a by-law is costly, time consuming and requires the consent of all parties involved through an amending Section 37 agreement<sup>5</sup>. City Council approval is also required to amend an agreement. These factors render the commitment to provide the Section 37 benefit virtually fixed.

#### Limitations

- Section 37 can only be utilized where significant development is taking place beyond what is permitted by the zoning by-law. In Toronto's current development climate, this is most often in the Downtown and near transit. This limits the use of Section 37 geographically, as much of the city outside of the core is designated in the Official Plan as *Neighbourhoods* or *Apartment Neighbourhoods*, where significant growth is not planned or anticipated.
- Individual developments may not generate enough money to fund large scale cultural infrastructure, as high value contributions (e.g., \$750k - \$2m) only result from significant rezonings.
- Communities have numerous benefit priorities, so arts and culture will not always be favoured.
- Section 37 agreements can only be used for capital facilities, not operating costs such as programming, supplies and staffing.

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<sup>5</sup> Changing a by-law becomes increasingly complicated in the case of condominium development, as the consent of the Condominium Corporation's board will be required, rather than just the developer's.



## Part 3 – Cultural Density Bonusing Case Studies

Section 37 agreements are not unique to Toronto, and within Ontario there are now five other municipalities that have recently activated Section 37 policies through their official plans: the City of Mississauga, the City of Ottawa, the City of Orillia and the City of Markham. Agreements similar in nature to Section 37 are used in a variety of other jurisdictions, and are often referred to as density bonusing<sup>6</sup>. While density bonusing is relatively common in major North American cities, it is not often used to specifically target cultural benefits, frequently being used to garner social housing, green infrastructure, community centres, heritage conservation, and transit infrastructure. The following case studies begin with some of the successful cultural benefits produced in Toronto through Section 37 and then continue by profiling a variety of density

bonusing programs that have focused on cultural benefits from other jurisdictions. These case studies offer a number of lessons which form the basis for our recommendations in utilizing Section 37 funds for arts and cultural spaces.

### *Toronto*

Among the many Section 37 agreements negotiated between the City and the development community, there are several that have provided cultural amenities. While Section 37 is commonly used to support arts and culture through heritage conservation and the City's public art program, there are a number of instances in which the new cultural spaces have been produced for local arts and culture programming that have been



Figure 2: Artscape Wychwood Barns ([blogto.com](http://blogto.com))

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<sup>6</sup> While the term density bonusing is commonly used in other jurisdictions, it does not accurately reflect the nature of Section 37 agreements in Toronto. The term implies that a City grants bonus height or density to a developer in return for certain benefits. As discussed in Part 2, Section 37 is employed only after the proposal is deemed to represent good planning.



Figure 3: TIFF Bell Lightbox ([mostlymotionpictures.wordpress.com](http://mostlymotionpictures.wordpress.com))

particularly successful. The following examples outline some of the City's recent successes, providing insights into how future projects may proceed.

### Artscape Wychwood Barns

Artscape Wychwood Barns is a multi-use community space which aims to organize arts and culture, environmental leadership, heritage preservation, urban agriculture, and affordable housing under one roof. The 60,000 square foot space is located within the former Wychwood TTC streetcar repair barns, located just south of St. Clair Avenue and Christie Street. Artscape Wychwood Barns now houses 26 artists and their families, 17 individual artists and 11 non-profit and environmental organizations.

In 2003 the City selected Artscape, a not-for profit real estate development agency for the arts through an RFP (Request For Proposals) process, to realize its vision for the adaptive reuse of the Car Barns. The total capital cost of the project was \$22.0 million, of which \$1.0 million were secured through Section 37 negotiations with a private developer proposing a mixed-use building within the ward. The City of

Toronto provided an additional \$2.15 million in the form of affordable housing funds and subsidies; loan guarantees on behalf of Artscape in the amounts of \$3.5 million and \$600,000, and in-kind funding valued at over \$3.3 million, which included the land donation, planning services, and forgone development charges. Artscape raised the remaining funds through other levels of government and private benefactors.

### TIFF Bell Lightbox

Opened in 2010, the TIFF (Toronto International Film Festival) Bell Lightbox is a five-storey complex in downtown Toronto's Entertainment District. The building features a "three-storey public atrium, 5 public cinemas, 2 galleries, 3 learning studios, a centre for students and scholars, a bistro, a restaurant, and a lounge" (Toronto International Film Festival Inc., 2012). The building plays host to Canadian and international cinema year round, and every September it is the key venue for the Toronto International Film Festival. Through the film festival's organizing body, screenings, lectures, discussions, festivals, workshops, and industry support are available year round.

Above the TIFF Bell Lightbox space is the Festival Tower, a 42-storey residential building with 381 residential units. As a condition of achieving the building's 157 metre height, the project's developer was required to engage in a Section 37 agreement with the City through site's rezoning process. Through this agreement, the developer was required to build the first five floors of TIFF Bell Lightbox space at a cost of not less than \$1.0 million, convey the space to Toronto International Film Festival Inc., pay the City of Toronto \$300,000 for the creation of a fund to facilitate the use of the space within the TIFF portion of the building for non-profit cultural or institutional uses, and pay the City \$30,000 toward a planning study within the *King-Spadina* Area.

### The Canadian Lesbian and Gay Archives

The Canadian Lesbian and Gay Archives (CLGA) was established in 1973 and has a mandate to acquire, preserve, organize and give public access to information and materials in any medium, by and about LGBT people, primarily produced in and concerning Canada. The CLGA is located in a house at 34 Isabella Street, a designated heritage property which it has occupied since September 2009. The house was built in 1858 and has been extensively renovated, now offering a

large reading room, an art gallery and a meeting room which can be rented by community groups.

North of the CLGA is a residential condominium tower named Casa, located at 33 Charles Street East. The 45 storey tower contains 440 units and meets the ground with a 5 storey podium. The rezoning process that permitted Casa's 138 metre height allowance included a Section 37 negotiation which resulted in a number of community amenities, including the transfer of 34 Isabella Street to the Canadian Lesbian and Gay Archives for a nominal amount. In addition, the developers were required enter into a Heritage Easement Agreement with the City to conserve and maintain portions of the building located at 34 Isabella Street.

### Artscape Triangle Lofts & Triangle Gallery

Located in the Queen West Triangle neighbourhood, Artscape's *Triangle Lofts* and *Triangle Gallery* provide affordable housing and presentation space for artists. The Queen West Triangle area was formerly composed of warehouse spaces, many of which were utilized as illegal live/work spaces for artists. In 2004 the City



Figure 4: Canadian Lesbian + Gay Archives (blogto.com)

of Toronto designated the Queen West Triangle as a *Regeneration Area*<sup>7</sup> in the City's Official Plan, allowing for the intensification of the area with a greater variety of uses. This generated concerns that the area's revitalization would lead to the displacement of the artistic community. Through a negotiated process that involved the City, a community group known as Active 18, project developer Urbancorp, the Ontario Municipal Board and other stakeholders including Artscape, the area was planned to respect the scale of the existing building context and provide significant open space for the community, as well as affordable working and living space for artists. The *Triangle Lofts* now provide 48 below market ownership lofts and 20 affordable rental lofts to professional artists, as well as a ground floor gallery space known as the *Triangle Gallery*.

The 56,000 square foot space which contains the *Triangle Lofts* and *Triangle Gallery* is located within the podium of a larger condominium building, the Westside Gallery Lofts. This space was secured through a Section 37 agreement between the City and Urbancorp which ensured that Artscape would purchase the space from Urbancorp for construction costs in exchange for additional height and density in the market component of the development.

## Artscape Distillery Studios

Toronto's Distillery District was created through the revitalization of one of Canada's most significant collections of early industrial buildings. The area's redevelopment as a precinct for arts and culture activities was supported by its designation as a *Regeneration Area* by the City, allowing for a variety of land uses that included residential units. Artscape's Distillery Studios represent a 50,000 square foot portion of the 440,000 square foot commercial revitalization of the existing heritage structures in the area. The Distillery Studios consist of 63 work and rental studios, offices, and rehearsal and performance space. The spaces are provided at below market rates.

Space for the Distillery Studios was provided through a Section 37 agreement between the City and project developer Cityscape, which required a range of community amenities, including a site interpretation centre, public art, a daycare and an arts amenity. As the arts amenity, the Distillery Studios space was initially meant to be much smaller, and serve as a museum for dolls. However, Artscape was able to renegotiate for a much larger arts facility that was integral to the initial development and tenancy of the district. In this case, Cityscape had identified Artscape



Figure 4: Artscape Distillery Studios ([torontoartscape.org](http://torontoartscape.org))

<sup>7</sup> *Regeneration Areas* provide for a mix of commercial, residential, light industrial, parks and open space, institutional, live/work and utility uses. They have many goals, including, the revitalizing areas that are vacant or underused, creating new jobs and homes that utilize existing infrastructure and services, restoring and retaining existing structures, achieving streetscape and open space improvements, and promoting the clean-up of environmentally contaminated areas.

for a potential partnership opportunity early in the process. Subsequently, the City of Toronto continued to play an important role by guaranteeing loans on behalf of Artscape for the Distillery Studios, as well as providing Section 37 funds for capital improvements.

## Lessons from Toronto

- Districts experiencing revitalization attract significant private sector investment and can therefore generate large scale cultural amenities.
- Partnerships with community groups, non-profits and private sector entities allow for a mutually beneficial relationship and scale of benefit otherwise not achievable.
- Redevelopment must be sensitive to existing cultural uses that are being displaced. In such instances, it is important for the City to work with and advocate for such users to assist in creating affordable and sustainable creative space.
- The provision of a long-term lease as well as a capital improvement fund can allow for spatial alterations that facilitate a variety of cultural purposes, to provide greater functionality and long-term stability for its users.

## Other Jurisdictions

The following case studies are taken from jurisdictions in which efforts have been made to derive cultural amenities through mechanisms with characteristics similar to Section 37. Key features include a relationship between increases in density and resulting community contributions which support arts and culture through the provision of cultural spaces or facilities. It is important to note that each of these jurisdictions function in a context different from the City of Toronto's, making direct comparisons challenging. Such differences involve governing legislation and planning contexts, which have a profound impact on policy and practices; government structures, which determine those who are involved in the negotiation process; and other financial considerations, which may affect the ability of developers to contribute or the need that the jurisdiction has for such contributions. However, while these case studies are set in different contexts, they often provide a number of important lessons that Toronto can draw upon.

## Vancouver, B.C. – Community Amenity Contributions (CACs)

Community Amenity Contributions (CACs) are used to accommodate the increased services and community amenity needs that result as properties are rezoned and developed to higher densities. CACs are applied to private rezoning applications, and help address growth costs that relate to “area deficiencies and/or other community needs and impacts”. CACs are generally used to fund capital facilities, but can also be applied to operating costs.

### *Policy*

Through Section 904 of the Local Government Act British Columbia authorizes municipal governments to establish by-law conditions which permit density increases in exchange for affordable and special needs housing, or the provision of amenities established by the by-law, including the number, kind and extent of amenities.

CAC policies vary, depending upon the area in which the rezoning is occurring, the type of rezoning, and the rezoning's scale:

- *Standard Rezoning Contributions* – Most often applied to smaller projects outside of the Downtown area, are subject to a flat rate of \$32.39 per m<sup>2</sup> (\$3.00 per square foot).
- *Non-Standard Rezoning Contributions* – Applied to larger projects, as well as industrial to residential rezonings, and downtown rezonings. The City uses proforma analysis to determine the increased value provided by the rezoning and seeks contributions valued at 70-80% of this value increase. This is a negotiated process.
- *Rezonings Exempt from a CAC* – Rezonings occurring in a number of areas, at lower scales, and for a number of purposes, are exempt from CACs. Notable exemptions relate to social housing, heritage, public schools, community facilities, and places of worship.

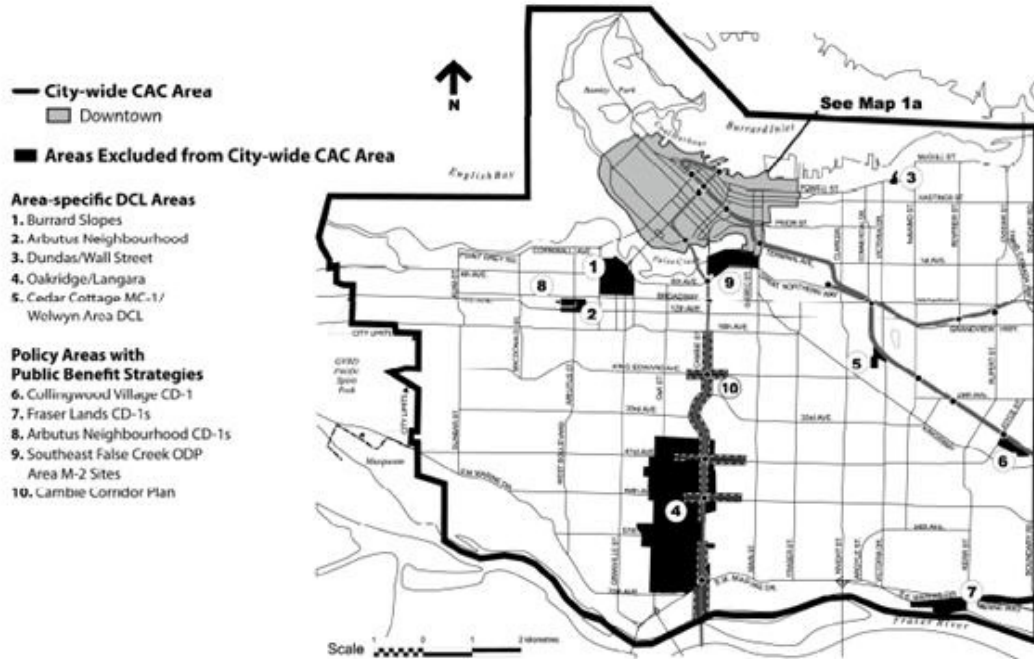


Figure 5: Community Amenity Contribution Policy areas (City of Vancouver, 2011)

## Implementation

Vancouver's CAC process begins with a design assessment to establish whether the site can accommodate the amount of density being proposed. Community benefits that are considered necessary for the development to constitute good planning are not included in CACs – proponents must provide benefits beyond those required for the development to be a planning success. Once a design has been endorsed, CAC contributions for standard rezonings are calculated based upon the rezoning's type, location and scale. It is the planning department's strong understanding of proforma analysis that allows it to effectively determine the value of the required contribution required for non-standard rezonings.

## Success

Vancouver has had significant success generating community benefits through CACs. In 2011 a number of large rezoning approvals resulted in \$180 million in public benefit contributions, a significant increase over

the \$27 million the City generated in 2010. Cultural benefits resulting from CACs include the Vancouver Symphony Orchestra Music School, located within a residential development in Downtown Vancouver, and the Vancouver International Film Centre, among others.

### Vancouver International Film Centre (VIFC)

Located just north of Vancouver's popular Yaletown area, the VIFC was secured through the rezoning of the lands for *Brava*, a residential condominium. The rezoning increased the site's floor area ratio from 5.0 to 8.08. Based on proforma calculations, the City concluded that for an additional 65,000 square feet of floor area, the development would pay the equivalent of \$5.0 million in benefits. Of this, \$3.5 million were dedicated to construction and furnishing costs and \$1.5 million were used to establish an endowment fund to support the facility's operating cost for 20 years. The City maintains ownership of the space through a 100 year (or the life of the building) lease<sup>8</sup>.

<sup>8</sup> Cupa, D. R. (2007). Amenity bonuses: Bridging cultural production and consumption in Vancouver's city centre. *Simon Fraser University, Master of Urban Studies*

## **Lessons**

- Proforma analysis helps establish the value rezonings create, and fair contribution levels.
- Identification of priority arts/culture groups can lead to collaboration between developers and arts/culture organizations.
- Establishing a contribution rate for ‘standard rezonings’ can provide efficiency in the assessment processes.
- Establishing endowment funds as an aspect of density bonuses can be critical to the long-term success of not-for-profit operators.
- Lease terms should be negotiated for as long as possible to ensure the longevity of the cultural benefit in the community.

## **Calgary, Alberta – Cultural Space Bonus**

In 2009 the City of Calgary introduced the Cultural Space Bonus to the CM-2 zoning district, which governs the City’s central business districts, and its economic heart. With the understanding that cultural activities generally experience a financial disadvantage when compared to other uses typical to the downtown core, the bonus was created to support the development of such uses in Calgary’s rapidly intensifying centre. Another consideration made during the implementation of the Cultural Space Bonus is that cultural activities are usually housed in older buildings. As rapid redevelopment is resulting in redevelopment in Calgary’s core, it is important to ensure that these spaces are incorporated into new developments in a manner that is cost efficient for both the developers and users. Specifically targeted users are non profit arts and cultural groups.

## **Policy**

Calgary’s Cultural Space Bonus is outlined in By-Law 1P 2007, and is used to incentivize the provision of public benefits, by granting a floor area bonus in exchange for a range of amenities. Among the amenities identified is cultural space built for the intended purpose of developing, creating, presenting, or administering artistic practices in any cultural tradition. The Cultural Space Bonus was based upon the already successful Indoor Park Bonus. Bonus floor area is provided at different rates depending on the location of the cultural space within the development, meaning that space provided at grade is given a greater value than space above or below grade.

## **Implementation**

Cultural space derived from the Cultural Space Bonus is secured during the development permit process, and proposed benefits must be approved by the Land and Asset Strategy Committee and City Council.

While Calgary’s Cultural Space Bonus is still quite new, complications with its implementation have been identified already. As a result, current zoning updates for Calgary’s City Centre are used as an opportunity to re-work the Cultural Space Bonus. For a variety of reasons, other bonus options are simpler to implement and pose less risk to developers. One of the main challenges of the current structure is that owners and operators are reluctant to hand over space, as when development permits are received, the end user is not likely to be known. In addition, the longevity and success of those users is not known or guaranteed. Another concern found in the current model is that the City will own the space in perpetuity. A new model may relax this requirement, allowing the space to be reclaimed by the developer if the City cannot find a viable use for it within a designated time frame. In addition, Cultural Support Spaces may be included as an aspect of the revised Bonus, as research has revealed that existing cultural facilities have not been provided with enough administrative or storage space.

## **Lessons**

- Ensure that the bonus is competitive with others provided in the same area.
- Ensure some measure of security for the developer involved.
- Redevelopment of old buildings may lead to the loss of existing cultural space – this loss should be compensated.

## New Westminster, B.C. – Amenity Density Bonus

The City of New Westminster’s Amenity Density Bonus aims to satisfy a number of objectives, including:

- Council’s desire to secure amenities from new developments;
- Meeting growth needs in a manner that is sensitive to existing neighbourhood character, and incorporates multifamily housing forms; and
- Updating the City’s current zoning by-law, so that it reflects an urban form that is typical and preferred for new developments in the city, and to ensure that density allocations allow for the replacement of existing housing stock (New Westminster, 2010).

In October of 2008 City Council approved a two-phase density bonus system, in which Phase One addresses all eligible townhouse and low-rise residential apartment zones and Phase Two addresses mixed-use low rise and high rise apartment zones. Phase One of the Amenity Density Bonus was introduced in 2010.

### Policy

New Westminster’s Amenity Density Bonus allows developers to gain increased density permissions in exchange for monetary contributions which will be used for public benefits. The City of New Westminster’s zoning by-law outlines both as of right density permissions, and density levels which can be achieved through contributions. Contribution rates vary based upon zone district, and the location of the zone within the city. Table 1 relates to Phase 1 of New Westminster’s Amenity Density Bonus.

### Implementation

Funds collected through the Amenity Density Bonus are allocated to three categories of amenities; 30% to affordable housing, 10% to child care, and 60% to general amenities. Once cash is collected it is placed into funds for each of these categories. It is then the responsibility of the Public Benefit Team, which is composed of staff from various departments, including Development Services, Engineering, Parks, Cultural Services, Heritage Planning, Social Planning, and Finance. Through their review process, the Public Benefit Team considers Council approved policies and plans, and makes recommendations to Development Services. Development Services then prioritizes these recommendations, and reports to City Council, which will make the final decision or refer the recommendations back to staff for further review. New Westminster has not yet generated any cultural amenities as a result of their Amenity Density Bonus.

### Lessons

- The preset allocation rates allow for ensured investment in desired amenities, and may be a viable means of creating an Arts and Culture Fund. Such allocation rates could be varied over time, depending on municipal and area priorities.
- Varying contributions based on zone and district allows municipalities to adjust contributions to variations in urban markets.
- Establishing a community Public Benefit Team of staff to study allocations can provide equitable disbursement of funds.

*New Westminster Amenity Table*

<b>Zoning District</b>	<b>Zone Location</b>	<b>Contribution Per Area Above Base Density</b>
RT-2A, RT-2B, RT-2C	Queensborough	\$70 per sq. ft.
RT-2, RT-2A, RT-2B, RT-2C	Mainland	\$80 per sq. ft.
RM-1, RM-1A, RM-1B, RM-2, R-2A, RMW-2, RMW-2A	Mainland	\$55 per sq. ft.
	Queensborough	\$40 per sq. ft.
RM-5A	Mainland	\$55 per sq. ft.
	Queensborough	\$40 per sq. ft.

Table 1: New Westminster Amenity Table



## New York City, N.Y. – 125th Street Special Purpose District

In 2008 New York City introduced its first floor area bonus directed specifically at the creation of space for non-profit visual and performing arts organizations, as an aspect of Harlem’s 125th Street Special Purpose District. The Special Purpose District was established through a five-year collaborative process that involved area residents, property owners, stakeholders, arts groups and elected officials. 125th Street is considered Harlem’s Main Street and a centre of arts and entertainment. The creation of the Special Purpose District is meant to help revitalize the area by protecting and enhancing its character. Among the goals for the district are the key concepts of promoting residential development, increasing the number of visitors to the area, and fostering a diverse mix of businesses that both support and include arts and entertainment facilities.

### Policy

Through the *Special 125th Street District By-law*, New York provides zoning provisions that support *Entertainment Uses* and *Visual or Performing Arts Uses*. Through the *Floor Area Bonus for Visual and Performing Arts Uses*, density bonuses are available at a rate of four additional square feet for each square foot provided for *Visual or Performing Arts Uses*. *Visual or Performing Arts Uses* include art galleries, historical exhibits, literary spaces, museums, performance spaces, primary research spaces, theatres, and visual/media arts spaces. Bonuses are receivable as of right<sup>9</sup>, up to a maximum floor area ratio (FAR) that is based upon a site’s designated zone.

*Entertainment Uses* include both arts spaces and spaces known to support arts and cultural facilities, such as auditoriums, bookstores, clubs, restaurants, music stores and studios. In the by-law, the City outlines that new or expanded buildings which contain at least 60,000 square feet of floor area and front onto 125th Street must have at least 5% of their total floor area occupied by *Entertainment Uses*. While this is not a density bonus, it is a measure that has been put in place to support the spaces created by the floor area bonus. By combining both the *Entertainment Uses* requirement and the *Visual or Performing Arts Floor*

*Area Bonus*, the City aims to create a critical mass of complimentary uses. Developments participating in the floor area bonus program are not required to satisfy the 5% *Entertainment Use* contribution in addition to providing *Visual or Performing Arts Space*.

In support of the cultural spaces being produced, the District has a Bonused Space Local Arts Advisory Council. The by-law specifies that the 11-member council is to include members of the Harlem performing or visual arts, non-profit, or business communities, and shall be appointed by the supporting official. Support for the Bonused Space Local Arts Advisory Council is provided by the Department of Cultural Affairs. The City also has an affordable housing bonus in place in the area.

### Implementation

Bonus space is granted upon the approval of the Chairperson of the City Planning Commission, who certifies that the conditions set out in Section 97-423 of the *Special 125th Street District By-law* have been met. These conditions include the submission of drawings, certification from the Department of Cultural Affairs ensuring that leasing and operation of the space by a non-profit organization, and a legal commitment from the space’s operator to submit annual program reports that outline the use of the space and face penalty if the space is not continually used. Once the developer has decided to utilize the floor area bonus program, they must coordinate with the Bonused Space Local Arts Advisory Council, which is responsible for both canvassing arts groups who may be interested in the space being produced, and for determining the financial capacity and appropriateness of the programming that the group would provide. The developer is only responsible for providing the core and shell of the space.

Unfortunately, the timing of the *125th Street Special Purpose District’s* approval coincided with a downturn of the United States’ real estate market. As a result, no new projects have been derived as a result of either the area’s *Arts and Entertainment Uses* requirement or the *Visual or Performing Arts Uses* floor area bonus. New York City’s Planning Department is confident, however, that the valuable planning process undergone through the development of the *125th Street Special Purpose District* will result in the development of new spaces

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<sup>9</sup> “As-of-right” is a term used to describe the existing planning and zoning permissions on a given site. A development that adheres to these permissions can be approved without a public review process.

for non-profit visual and performing arts organizations as the real estate market improves.

### **Lessons**

- Incorporate cultural bonus priorities into district and area plans.
- Involve local stakeholders, including not for profit, private sector and public sector actors, in the development of community priorities.
- Create synergies by encouraging uses that both support and are supported by cultural spaces – “a critical mass of complementary uses”.
- Develop a locally based arts advisory council to support the programming and development of the bonused cultural space.
- Limit bonus items to those most important to the development area – in this case *Arts and Entertainment Uses* as well as affordable housing.
- Offer flexibility by providing options in the mechanisms used to secure arts and cultural spaces: e.g. minimum arts-related floor area; bonusing; funds in lieu.

## Part 4 - Lessons for Toronto's Section 37 Process

The following section draws upon the lessons provided by the cultural density bonusing and Section 37 case studies, and suggests ways in which Toronto may utilize them in the future:

### ***Identify priority amenities on an area specific basis.***

Other municipalities have experienced success by making their cultural goals known to the broader community in the planning process. By identifying area priorities during a secondary plan, visioning or avenue study process, the City of Toronto can communicate its objectives to private sector, non-profit and community groups, fostering collaboration and highlighting opportunities.

### ***Identify arts and culture groups with potential for collaboration***

Engagement with non-profit and community groups has been essential to the production of many cultural facilities, including the multitude of Artscape projects present in Toronto. Incorporating such groups into the area planning process, and the planning of cultural facilities can improve the end result and be integral to the facility's success.

### ***Ensure that cultural bonuses are competitive***

Cultural facilities are inherently complicated because of the programming they require. In Calgary, city planners learned that cultural facilities provide a level of insecurity for developers and property managers, who prefer tenants with a stable source of funding and the institutional capacity to perform over the long term. When given the option of a variety of benefits, developers may prefer to provide those benefits with simpler implementation, such as public art or streetscape upgrades. For this reason, it is essential to ensure that cultural benefits are properly incentivized, or that there is community support to champion the project and provide additional funding (as in the case of Artscape Wychwood Barns).

### ***Support activities displaced by redevelopment***

Section 37 agreements rely on rezoning processes, which more often than not involve the redevelopment of existing land uses. As arts and culture uses are less competitive in urban real estate markets, they often locate in older buildings that command lower rents. The presence and activity of artists in a neighbourhood will typically make the area more desirable and ripe for redevelopment, often pushing out those arts-related uses. The Section 37 negotiation process can include provisions to enable the long-term viability of culture in the neighbourhood.

### ***Create a critical mass of complementary uses***

By supporting the development of spaces for arts and culture in combination with uses that support their livelihood, such spaces can be more successful. In addition, arts and culture spaces can support local businesses by drawing activity to the area. For example, encouraging the development of restaurants and retailing opportunities around theatres allows the businesses to support one another.

### ***Recognize that arts and culture districts serve broad populations***

Concentrating arts and culture facilities into districts, as has been done in Toronto's entertainment district surrounding the TIFF Bell Lightbox, allows an area to serve the broader city, and helps fuel tourism. Such districts should be well connected by transit and offer a variety of artistic media. In areas of the city where redevelopment activity is less robust – generally outside of the Downtown and Centres – applying this regional approach to providing arts and cultural spaces may be helpful in satisfying the needs of those communities. In other words, the early identification of potential cultural centres to serve the city's Neighbourhoods, Apartment Neighbourhoods and Avenues outside the core can allow for the pooling of Section 37 funds over time toward the establishment of multipurpose arts spaces.

### ***Situate arts and culture spaces at transportation nodes***

Related to the previous point, placing community arts and culture facilities at transportation nodes allows them to be accessed by a larger number of people. Additionally, nodes are often the sites of large scale developments, providing a significant opportunity for arts and culture amenities. As Section 37 benefits must bear a geographic relationship to their respective development, nodal location can make benefits accessible to areas that are not experiencing significant development.

## Part 5: Implementation - Recommended Directions for Toronto

Building on the lessons learned above, we recommend a number of specific directions for the City of Toronto to facilitate the use of Section 37 funds toward arts and cultural spaces. These directions fall into two streams: improving the ongoing involvement of Cultural Services in the rezoning process; and embracing greater flexibility in the delivery of arts and cultural spaces through Section 37.

### *1. Improved Involvement of Cultural Services in the Rezoning/Section 37 Process*

Opportunities for directing Section 37 funds toward arts and culture can start with improved communication. We recommend a protocol to involve City of Toronto Cultural Services more consistently and proactively through the Section 37 negotiation process, which can be summarized as follows:

#### ***Circulate major rezoning applications to Cultural Services***

When the City receives a major rezoning application, Cultural Services should be routinely added to the circulation list. This can be an automatic action whenever an application is streamed “Complex” or exceeds 10,000 square metres of additional density – scenarios where the negotiation of Section 37 benefits is likely. (This action can also extend to other potential beneficiaries of Section 37 funds). Cultural Services would receive the application data sheet, containing the address and scope of the application, only.

#### ***Create a function within Cultural Services to monitor development activity***

There will need to be a dedicated staff resource within Cultural Services whose role it is to review the application data sheets received. That staff person would compare the site address of the proposal against the database and, in consultation with local arts stakeholders, identify cultural funding needs/opportunities in the area. Cultural Services staff should also take this opportunity to alert the Councillor and Planning staff to the potential loss of an existing cultural facility as a result of redevelopment. By monitoring development activity within the city, Cultural Services can advocate for the creation, protection, replacement

or relocation of arts and cultural spaces facing redevelopment. It will also be his/her responsibility to provide comments to Planning staff with respect to those opportunities within the allotted timeframe.

#### ***Create templates for Cultural Services comments to City Planning***

The commenting role can be made easier by providing various templates for comments back to City Planning in the first round of circulation. One template can confirm that no further action with respect to Cultural Services is required; others can describe potential cultural benefits in more detail and formally request that Cultural Services be consulted should Section 37 negotiations proceed. We have given some examples of potential scenarios and their templates in the appendix to this report. This is a valuable opportunity for staff to make cultural needs known early in the process; therefore we recommend that these templates be designed to automatically copy the Ward Councillor and staff of other departments as may be necessary.

#### ***Continued Planning consultation with Cultural Services staff in the creation and/or amendment of Secondary Plans and Avenue Studies***

On an ongoing basis, Cultural Services can continue to be a resource in identifying opportunities to harness new development potential for the creation of arts/cultural facilities, spaces and public art. Where appropriate, Cultural Services can provide specific input into the types of projects and spaces that would benefit from redevelopment within the area context and include such policies within the planning documents. This is also recommended to provide greater clarity to the development industry, who may wish to take advantage of specific culture-related opportunities to enhance their own projects.

#### ***Increased collaboration with Ward Councillors***

Within the City of Toronto, the Ward Councillor typically has a significant influence on Section 37 negotiations with developers, either leading the negotiations or in consultation with City Planning staff and other relevant stakeholders such as residents’ associations. Therefore the Councillor’s awareness

of the community's evolving needs, priorities and opportunities is an essential factor in securing arts and cultural spaces. While there are many community needs to be balanced when determining the allocation of Section 37 funds - including Parks, Children's Services, and streetscape improvements as examples - ongoing communication with the Ward Councillor about cultural priorities can help ensure they are considered within the bigger picture.

## ***2. Greater Flexibility in Delivery of Cultural Benefits***

Following the SuperBuild-funded renaissance of Toronto's major cultural institutions including the Royal Ontario Museum, the Art Gallery of Ontario and the Royal Conservatory of Music, the city now has Artscape Wychwood Barns, and Distillery District standing as examples of successful mid-size cultural projects serving a regional arts population. These latter cases have resulted from considerable and complex efforts in negotiation, funding, in-kind donations and legal arrangements.

As noted earlier, however, Section 37 funding offers a relatively small contribution toward the realization of these types of larger regional spaces. An increase in development density, particularly outside of Downtown, is not likely to yield significant benefits to fund an entire arts-focused project. Lessons drawn from other jurisdictions show that the development industry may respond more readily to having more options and greater flexibility in delivering cultural benefits. Therefore the City of Toronto should adopt various alternative approaches to utilizing Section 37 for meeting cultural goals. Recommended options for consideration include:

### ***Promoting cultural capital improvement funds as a Section 37 benefit***

As noted in the *Creative Capital Gains* report,

*Most of Toronto's cultural organizations, many of them long-established, work in repurposed heritage and industrial buildings that desperately need new roofs, windows, boilers, ducts, plumbing, and energy-efficient heating and cooling systems. Simply meeting basic building code requirements and ensuring public safety in these buildings will require \$30 million of investment over the next five years.*

The City's Implementation Guidelines state that "Section 37 may be used to protect, restore or commemorate on-site or off-site heritage resources in the local area". In addition, the Official Plan considers "other non-profit arts, culture, community or institutional facilities" as eligible community benefits. Therefore from a policy perspective, the tools to utilize Section 37 toward maintaining non-profit arts and culture capital facilities are already in place. With a keen understanding of the maintenance needs of spaces on the City's database, Cultural Services must continue to advocate for this type of Section 37 benefit through continued communication with the Ward Councillor and City Planning.

### ***Pooling funds toward a pre-defined cultural facility where multiple developments are expected to occur within a certain timeframe***

Though the City does not employ a standardized formula to determine Section 37 benefits, notable exceptions include Secondary Plan areas in which specific community services may be targeted through charges such as per-unit levies (e.g. Railway Lands West, Fort York Neighbourhood), or where detailed density transfer policies are in place (e.g. North York Centre). In areas where a number of developments are anticipated over time, such as in Secondary Plan areas, Regeneration Areas or along the Avenues, it can be possible to pool Section 37 contributions from multiple developments toward a cultural capital facility. The project should be identified in advance with a reasonable amount of fiscal planning, knowledge of capital needs, and partner commitment. In addition, the developments (or their Section 37 payments) should be expected to come on stream within a certain timeframe, for example, 4-7 years. City Finance, in consultation with Cultural Services and the Planning Division, would need to establish a specific Section 37 fund earmarked for such shared funding and ensure that committed contributions are deposited for that purpose.

### ***Encouraging smaller, shared resource hubs***

Another approach is directing Section 37 benefits toward the creation or enhancement of multipurpose spaces to encourage the incubation and sharing of resources between smaller, or less established arts organizations and collectives. Under existing Section 37 implementation guidelines, the City can also become leaseholders of privately owned property

for a recommended minimum of 15 years. This can be an effective way for the City to provide storefront, studio or office space, to support visibility and administrative functions for arts and cultural groups. The development industry may also be more amenable to providing such spaces if they are provided some security that, should Cultural Services not secure an appropriate tenant within a specified timeframe, the space will be turned back to the owner.

### **Utilizing the City's existing assets and heritage resources**

Where the creation of a stand-alone facility is unlikely, Section 37 funds can be used to expand, repurpose and broaden the scope of the City's existing assets, such as libraries, parks and community centres, with an arts focus. Recently, through the redevelopment of 150 Sudbury Street, the City was successful in securing funds for the revitalization of the historic Carnegie Library, formerly a Public Health office, for use as a City-owned theatre centre. Other smaller-scale examples could include:

- upgrading theatre and auditorium spaces in libraries;
- providing purpose-built studio, exhibition, and meeting rooms in community centres and restored heritage buildings;
- building amphitheatres and multipurpose field houses into park designs; and
- installing sprung floors in City gymnasiums and recreation centres.

This type of activity requires the collaboration of Cultural Services with relevant City divisions and agencies to ensure proper advance planning and appropriate design standards. These opportunities must be communicated to City Planning through the application circulation process; and to the Ward Councillor on an ongoing basis.

### **Negotiating public use of privately owned, publicly accessible spaces such as lobbies, boardrooms, plazas, etc.**

Another way to provide flexibility in the delivery of arts and cultural benefits is through the negotiation of publicly accessible spaces within private developments in exchange for increased height and density. New York City has had some success with its Privately Owned Public Spaces program, wherein a developer gains

additional floor area for providing spaces for public use. In addition to numerous plazas, pocket parks and open-air concourses, the City has successfully negotiated a number of indoor "Destination" areas in private buildings throughout Manhattan, many of which offer programming opportunities and bookings for non-profit organizations. When balancing various community benefits such as pedestrian amenity, open space and an enhanced public realm, cultural needs can also be accommodated in this type of environment without having to "compete" for Section 37 dollars. This can also be a way to provide temporary performance and gallery space for groups who may not be able to sustain larger facilities in the long term.

It should be noted that New York City's successful "Destination" spaces occur mainly within commercial and office buildings. The provision of these spaces is simplified by singular ownership and/or management of the site, as well as the primarily daytime activities of its tenants. Accommodating publicly accessible spaces within residential developments is inherently more complicated: negotiation for the space may take place with a single developer, but its ownership would then be transferred to a condominium board representing multiple owners, who may elect to discontinue public access to the space.

### **Expanding the geographic reach of Section 37 benefits from new development as it relates to arts and cultural spaces**

Currently, the City of Toronto's Official Plan requires that a negotiated benefit should have a "reasonable planning relationship" with the proposed development. In addition, the City's Section 37 Implementation Guidelines state:

*At a minimum, this planning relationship includes an appropriate geographic relationship and the addressing of planning issues associated with the development. The priority location for community benefits should be on-site or in the local area. Community benefits may be appropriate amenities and services in the local community that go beyond consideration of matters necessary to support that particular development, and which may be important in maintaining the quality of life in the city while accommodating intensification.*

In the case of cultural amenities, due to issues related to space requirements, timing and opportunities for sharing resources, it may not be feasible to take

advantage of Section 37 funds in proximity to the development; other prospects may lie further afield. Because contributions for arts and culture-related purposes are generally far less frequent as compared with other types of benefits such as streetscaping and park improvements, cultural spaces should be easily accessible by transit and serve a more regional population - in addition to the local community - to take full advantage of these funds. We recommend that when negotiating potential benefits, arts and culture facilities outside the immediate area of the development should also be considered. An appropriate geographic relationship for this type of benefit may be defined as within the ward, or within a defined number of transit stops from the development site.

Conversely, national-calibre and regional-type cultural facilities (such as the Royal Ontario Museum, Art Gallery of Ontario, or Young People's Theatre) near development may be overlooked as potential beneficiaries of Section 37 if the adjacent community perceives that the funds will not be spent "locally". To help alleviate this perception, any Section 37 contributions for such facilities could be directed toward capital improvement initiatives that will benefit the local community, for example:

- soundproofing;
- exterior public realm upgrades/improvements;
- streetscaping adjacent to the cultural facility;
- landscaping existing or expanded parking areas; or
- facilitating increased public access to spaces within the cultural facility.

Ultimately, it must be communicated to the community that directing Section 37 contributions to those large-scale facilities can enrich and enliven the local neighbourhood, as much as it does the city as a whole.

### ***Introducing strategies to maintain or replace cultural spaces displaced by development***

The City of Toronto has various policies and mechanisms to protect heritage buildings, rental housing and affordable housing from redevelopment pressure. Where the redevelopment of existing buildings displaces arts and culture spaces, the replacement of these uses should be a priority in the negotiation of Section 37 benefits. This strategy can be modeled after the City's affordable housing policies, in which redevelopments proposing to displace a minimum of

six affordable rental units must replace those units by incorporating them in the development, relocating the tenants or, as a last resort, providing cash-in-lieu of the City's cost to build them. A similar structure could be employed for pre-defined types of non-profit cultural spaces of a minimum size. Cultural Services staff would require in their comments that developers have to address the loss or displacement of artists' housing/studio space and cultural organizations in their proposals. Cultural Services may also elect to work with Planning Staff in developing firmer policies to meet this objective.



## APPENDIX A – Examples of Cultural Services Staff Comments to Planning Circulation

Due to the unique, development-specific nature of both Section 37 agreements in general and of arts and cultural spaces in particular, there is no one-size-fits-all solution that will apply city-wide. However, based on precedents both from Toronto and beyond, certain situations can be anticipated that would trigger specific actions within the City's divisions and agencies. These templates are examples to draw upon and are intended to be flexible to adjust to each individual situation.

### *A. SINGLE CULTURAL CAPITAL PROJECT*

Where a major cultural capital project has been identified in an area, and single-source Section 37 money is unlikely to cover the whole cost (e.g. Wychwood Barns, library renovations to accommodate cultural space):

Step 1 – At what planning stage is the capital project? Has it been designed or costed out? Is it a new facility or does it require renovation? What is the projected cost?

Step 2 – Contact area planner: what is planning context for this area? What level of development activity is expected over the next 5-10 years and is it likely to yield more Section 37 funding?

Step 3 - If the capital project is deemed to be far enough along in planning process where Section 37 money will help kick-start the development or can contribute to one in progress, Cultural Services staff comments as follows:

Cultural Services has identified a significant opportunity to establish a cultural facility in the vicinity of this site. [Describe] Should the development be recommended for approval, any financial or in-kind benefits derived from Section 37 negotiations can be directed toward this project. We request that Planning consider this opportunity should Section 37 discussions take place. If you require any further details regarding this capital project, please contact [Staff member] at [#].

cc. Ward Councillor, Finance, Legal

As applicable: Facilities & Real Estate; Parks, Forestry & Recreation; Toronto Public Library; School Board; Heritage Preservation Services. [need to identify appropriate staff titles]

### *B. CULTURAL DISPLACEMENT STRATEGY*

Where a redevelopment will displace a legal, non-profit arts or culture use [definition, e.g. theatre, studio, gallery, meeting rooms, office space, artists' housing, etc.], replacement strategy should apply.

Cultural Services staff comments as follows:

This project will displace [describe user and why displacement causes hardship]. Should the development be recommended for approval, we recommend that in the consideration of potential Section 37 benefits, priority be given to providing an appropriate replacement space for this user. This replacement, which must meet or exceed the floor area being displaced, may take the form of space within the development; or leased space at below-market rents within a reasonable distance from the site, which may be held by the City of Toronto. Cultural Services staff would be pleased to assist the applicant with the location of appropriate space to serve this user. As a less preferable option the Cultural Services may consider cash-in-lieu to compensate the user for this displacement, subject to further discussion with the applicant. We request that Planning consult with Cultural Services prior to Section 37 discussions taking place. If you require any further details, please contact [Staff member] at [#].

cc. Ward Councillor, Policy, Legal, Finance, Facilities & Real Estate

### *C. ACCOMMODATING SPACE IN NEW DEVELOPMENT (OR OTHER SUITABLE LOCATION)*

Where development site could accommodate specific cultural needs as revealed by City's database or raised as a community priority:

There is a need for [specific arts/cultural space] within this neighbourhood. Should Section 37 negotiations proceed for this site, we recommend that consideration be given to the provision of X m2 of floor area within the podium, publicly accessible from street level, for the purpose of [non-profit studio, gallery, meeting room, administrative office], as a community benefit. This space should be provided at a nominal rent to [City, third-party non-profit like Artscape], to be subleased at below market rents to the end user. We request that Planning consult with Cultural Services prior to Section 37 discussions taking place. If you require any further details, please contact [Staff member] at [#].

cc. Ward Councillor, Legal, Finance, Facilities & Real Estate

This template can also be modified to reflect the provision of an alternative space (e.g. storefront) in the vicinity of the development, to the satisfaction of the Cultural Services.

### *D. IMPROVING/ENHANCING CITY ASSETS*

Where a development could enhance cultural amenities in an existing City or agency-owned asset:

[Toronto Public Libraries/Parks/Recreational Services/School Board/etc.] has identified an opportunity to expand cultural use of the X facility in the vicinity of this development. Should Section 37 negotiations proceed for this site, we recommend that consideration be given to the directing of funds toward capital improvements to expand/upgrade/repurpose this space. We request that Planning consult with Cultural Services prior to Section 37 discussions taking place. If you require any further details, please contact [Staff member] at [#].

cc. Ward Councillor, Legal, Finance, Facilities & Real Estate, relevant agency contact

## Sources:

A variety of sources, including reports, web resources, and correspondence with municipal professionals, were consulted in the production of this report. R.E. Millward & Associates would also like to acknowledge the valued input of the City staff Steering Committee in the development of these recommendations. Sources include:

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City of Toronto (2004) – By-law No. 235-2004, To Amend General Zoning By-law No. 438-86 of the former city of Toronto with respect to lands known municipally in the year 2004 as 33 Charles Street East, 26 Isabella Street, 32 Isabella Street and 34 Isabella Street

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