



**STAFF REPORT  
ACTION REQUIRED**

**Supplementary Report -  
48 Abell Street – Option to purchase workshop space**

<b>Date:</b>	July 13, 2016
<b>To:</b>	City Council
<b>From:</b>	Chief Planner and Executive Director, City Planning Division
<b>Wards:</b>	Ward 18, Davenport
<b>Reference Number:</b>	P:\2016\Cluster B\PLN\CC16089 (11-315464 STE 18 OZ)

**SUMMARY**

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This report provides clarification and seeks City Council direction on:

- an amendment to the Section 37 Agreement to allow the six (6) at-grade workshop units to be conveyed to a range of not for-profit users acceptable to the City, and not be limited to arts management organizations
- a deadline of December 31, 2016 to close on a purchase and sale agreement for the units should the City find an appropriate purchaser with no further monetary obligations by the owner if the City does not close; and
- updated status of discussions with potential not-for profit purchasers for the space.

**RECOMMENDATIONS**

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**The City Planning Division recommends that:**

1. City Council acknowledge that if the Purchase and Sale Agreement of approximately six (6) at-grade workshop units at 48 Abell Street is not closed by December 31, 2016, the Agreement becomes null and void with no further monetary obligation by the owner;
2. City Council authorize the City Solicitor, in consultation with the Chief Planner and Executive Director, City Planning Division to amend section 3.1 of the Section 37 Agreement to include a broader range of eligible not-for-profit organizations to include social, educational, health and community services; and

3. City Council receive the Report from the Chief Planner and Executive Director, City Planning Division, 48 Abell Street, Option to Purchase Workshop Space, dated May 2, 2016 for information.

### **Financial Impact**

The recommendations in this report have no financial impact.

## **ISSUE BACKGROUND**

### **Section 37 Agreement**

As part of the rezoning application in 2011, Section 37 benefits were secured including requiring the owner to enter into an agreement to sell approximately six (6) at-grade workshop units fronting on the mews (approximately 430 square metres) to the City, or an arts-space management organization at a cost of \$250 per square foot, indexed to the construction price index from July 7, 2007. The intention was that these spaces would accommodate affordable arts-related space to support the existing creative cluster in the Queen West Triangle.

Condominium registration is pending the fulfillment of the conditions of the Notice of Decision as well as the obligations of the Section 37 Agreement. The owner has agreed to delay the closing date for any purchase of the workshop units to December 31st, 2016, to give the City more time to find a purchaser. The agreement does not require any further compensation to be paid by the owner should the City not exercise its option. The City has sought not for profit arts groups who might purchase the workshops and take on the operating costs of one or all of these spaces. City staff have reached out to various non-profit organizations such as Artscape, Akin Collective, Toronto Photographers Workshop, Craft Ontario, Art Metropole as well as Dance Collection Danse and Interaccess. Although there has been some interest, no agreements have been reached.

More recently, City staff have met and toured the workshop space with both the Centre for Mindfulness Studies and the Canadian Film Centre. St. Clare's Multifaith Housing located at 180 Sudbury Street expressed possible interest in the workshop space for social enterprises.

City Planning staff have consulted with staff in Economic Development and Culture (EDC), Legal Services, and Real Estate Services along with the Ward Councillor in the review of options regarding the workshop units. In the staff report dated May 2, 2016, staff recommended to City Council that it waive its option to purchase the workshop units. However, the Ward Councillor requested that staff continue to pursue the option for the workshops to be purchased by a local non-profit organization.

Section 3.1 of the Section 37 Agreement specifically refers to an art-space management organization being able to purchase the workshops. There are local non-profit organizations beyond those related to the arts community that are interested in purchasing the space that staff believe would provide benefits to the local community. In order to provide more flexibility in finding a purchaser of the units, staff are recommending that

the wording in Section 3.1 be expanded to include a broadened range of not-for-profit organizations including social, educational, health and community services.

### **Summary of Progress**

Since early May 2016 staff from the EDC have been working with City Planning, the Ward Councillor and the owner to advance the purchase and sale of the workshops by undertaking the following tasks:

- Reaching out to possible interested not for profit organizations
- Arranging multiple meetings and site tours of the workshop units with interested parties
- Attending internal meetings with Real Estate and Legal Services
- Continuing discussion with the owner clarifying the workshop space specifications
- Attending the Active 18 Annual General Meeting

### **Condominium Registration**

Draft Plan of Condominium was approved on November 16, 2015. Since this time the owner has been working to fulfil the conditions of the Notice of Decision. The owner is nearing completion of fulfilling all conditions of Draft Plan. The owner does not want to delay the registration of the Condominium due to the City not finding a purchaser and has asked the City not to delay the registration as long as all other obligations have been met.

### **Conclusion**

City Planning and EDC Staff in consultation with the Ward Councillor have been working with the owner to find a purchaser for the workshops. The owner has agreed to extend the option for a not for profit organization to enter into a Purchase and Sales Agreement with a closing date of December 31, 2016. However, should the sale not close by December 31, 2016, the agreement lapses. Further, Planning staff recommend that should the owner meet all other outstanding obligations except for this option to purchase, then the owner may register the building without further delay.

### **CONTACT**

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### **SIGNATURE**

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