



## STAFF REPORT ACTION REQUIRED

### Below Market Rent Lease with Jean Tweed Treatment Centre at 3131 Lakeshore Boulevard West

<b>Date:</b>	February 2, 2016
<b>To:</b>	Government Management Committee
<b>From:</b>	Chief Corporate Officer And Executive Director, Social Development, Finance and Administration
<b>Wards:</b>	Ward 6 – Etobicoke Lakeshore
<b>Reference Number:</b>	P:\2016\Internal Services\RE\Gm16006re (AFS #21543)

### SUMMARY

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The purpose of this report is to obtain City Council authority to enter into a new Below Market Rent (BMR) lease agreement with Jean Tweed Treatment Centre (JTTC) for approximately 8,563 square feet of space located at 3131 Lakeshore Boulevard West in Ward 6 – Etobicoke Lakeshore for a term of five (5) years.

### RECOMMENDATIONS

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**The Chief Corporate Officer and Executive Director, Social Development, Finance & Administration (SDF) recommend that:**

1. City Council authorize the City to enter into a Below Market Rent lease with Jean Tweed Treatment Centre for a five (5) year term, substantially based on the terms and conditions set out in Appendix “A”, and on such other terms and conditions acceptable to Chief Corporate Officer, or her designate, and in a form acceptable to the City Solicitor.
2. City Council authorize the Chief Corporate Officer or her designate 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.

### **Financial Impact**

The proposed lease agreement will provide Jean Tweed Treatment Centre with a building having approximately 8,563 square feet of space for a nominal net rent consideration. All operating costs, maintenance fees and utilities related to the building, currently estimated at \$73,824 per year based on a rate of \$8.62 per square foot, will be paid for by the Tenant directly resulting in no costs to the City so as the Tenant pays on time.

In accordance with the City's Policy on City-Owned space provided at Below-Market Rent, the opportunity costs of entering into this agreement must be determined and reported to City Council. The total opportunity cost of this lease over the five (5) year term at 3131 Lakeshore Boulevard West will be approximately \$761,411 (plus HST).

The Tenant is currently exempt from paying all realty taxes related to the Property, however the Municipal Property Assessment Corporation (MPAC) is currently assessing the Property to determine its eligibility for tax exemption. Pending MPAC's review, the Tenant will be responsible for all realty taxes related to the Property if the Property is deemed non-exempt.

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

### **DECISION HISTORY**

The Province of Ontario, the owner of the property at the time, entered into a lease of the building with the Jean Tweed Treatment Centre for term of five years commencing April 1, 1985. On March 31, 1988, the Province assigned the property to Metropolitan Toronto and Region Conversation Authority (MTRCA). Pursuant to the 1972 Agreement between the MTRCA and Metro Toronto, the City assumed responsibility for the maintenance of the lands and property at 3131 Lake Shore Boulevard West.

On October 1, 2, and 3, 2002, Council adopted "A Policy for City-Owned Space Provided at Below-Market Rent" as the first step in rationalizing how City-owned space is provided to community and cultural organizations.

<http://www.toronto.ca/legdocs/2002/agendas/council/cc021001/pof13rpt/cl001.pdf>

At its meeting November 19 and 20, 2007, City Council adopted 'Providing City-Owned Space to Community Organizations at Below-Market Rent' and extension of leases of existing tenants of the City. The MFRC Sublease was extended under the BMR Policy.

<http://www.toronto.clegdocs/mmis/2007/exThgrdThackgroundfile-7803.pdf>

At its meeting November 27, 2012, Council authorized a modification to Below Market Rent Policy to include a range of community space types and a process for leasing City space at less than market rents to non-profit organizations that deliver community and cultural services to residents that further the City's strategic goals.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2012.EX25.7>

## **ISSUE BACKGROUND**

In 1972, the City assumed responsibility from the Province of Ontario for the maintenance of the lands and building located at 3131 Lakeshore Boulevard. Commencing in 1985, the City of Toronto entered into lease agreements with the Jean Tweed Treatment Centre and since May 31, 2005 the lease has been in over hold.

Jean Tweed Treatment Centre is a community-based organization that provides a safe and supportive environment for women with substance use, mental health, and/or gambling issues. Services include outpatient services, outreach, supportive housing partnerships, and the Pathways to Healthy Families and Child Development Centre

Jean Tweed Treatment Centre is being recommended for a new lease agreement under the City's BMR policy.

## **COMMENTS**

An eligibility review by Social Development, Finance and Administration has deemed the Jean Tweed Treatment Centre eligible under the Below Market Rent policy. The BMR eligibility criteria includes:

- non-profit status;
- programs and services aligned with a city division mandate;
- programs and services provided primarily to residents of Toronto;
- a mandate that is not the sole responsibility of senior levels of government;
- demonstrated financial viability to maintain allocated space and operating costs for the duration of lease

Jane Tweed Treatment Centre programs offered from this location align well with the City's Drug/AIDs prevention Strategy.

Jane Tweed Treatment Centre receives funding from Toronto Central Local Health Integration Networks (LHINs) and Ministry of Health in the total amount of \$4,294,441 in 2014 to operate within the Toronto boundaries. The total estimated investment by JTTC into the community is \$21,472,205 over the five year term of the lease at 3131 Lakeshore Boulevard.

In 2015, the City of Toronto funded several capital projects to the building including the complete renovation to the kitchen, the replacement of all exterior windows, the restoration of the exterior brick walls surrounding the house, and the repair to the front porch. In addition, JTCC received \$62,193 in Investments in Neighbourhoods grants from City of Toronto.

Real Estate Services Staff has reviewed the JTTC's account with the City and the City is in agreement that the organization is in good standing. Its programs and services align with City priorities and continue to be compatible with the service priorities of the Property.

**CONTACT**

Joe Casali  
Director, Real Estate Services  
Tel: (416) 392-7202  
[jcasali@toronto.ca](mailto:jcasali@toronto.ca)

Costanza Alleveto  
Director, Community Resources  
Social Development, Finance & Admin.  
Tel: (416) 392-8608  
[calleve@toronto.ca](mailto:calleve@toronto.ca)

**SIGNATURE**

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Josie Scioli  
Chief Corporate Officer

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Chris Brillinger  
Executive Director  
Social Development, Finance &  
Administration

**ATTACHMENTS**

Appendix "A" – Major Terms and Conditions  
Appendix "B" – Location Map