



Decision Letter

Budget Committee

Meeting No.	33	Contact	Jennifer Forkes, Committee Administrator
Meeting Date	Friday, June 9, 2017	Phone	416-392-4666
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Committee Room 1, City Hall	Chair	Councillor Gary Crawford

BU33.14	ACTION	Amended		Ward:38
---------	--------	---------	--	---------

Facilities, Real Estate, Environment and Energy (FREEE) 2017 Capital Budget - Ward 38, 705 Progress Building Improvements Project Amendment

Committee Decision

The Budget Committee recommends that:

1. City Council increase the 2017 Capital Budget and Plan for Facilities, Real Estate, Environment and Energy in the amount of \$370,000 for the capital sub-project known as "Ward 38, 705 Progress Building Improvements" to provide the necessary capital repairs and improvements that would allow for occupancy of Unit 63, funded through the Parkland Acquisition - Scarborough Reserve Fund (XR2007).

Origin

(June 8, 2017) Report from the Deputy City Manager and Chief Financial Officer

Summary

The purpose of this report is to provide an update on the Ward 38, 705 Progress Building Improvements capital project and to seek a Council decision on an increase in the project budget of up to \$370,000, funded by the Parkland Acquisition - Scarborough Reserve Fund (XR2007), for a revised total project budget of \$520,000 through an amendment to the Facilities, Real Estate, Environment and Energy (FREEE) 2017 Council Approved Capital Budget and 2018-2026 Capital Plan. This amendment, if approved, would require a \$370,000 gross expenditure increase, fully funded through the Parkland Acquisition - Scarborough Reserve Fund (XR2007), and no debt impact.

The amendment would be necessary to fund capital repairs and improvements for occupancy and program delivery of the Below Market Rent (BMR) tenant at 705 Progress Avenue, Unit 63. A significant portion of the \$520,000 is related to work that typically is the responsibility of the tenant. The City will ensure all normal landlord responsibilities related to building repairs are completed. Should Council decide not to amend the project cost, the BMR tenant would be required to fund any improvement costs over and above \$150,000. It is doubtful, however, that the tenant has the financial resources to fund these building capital costs and therefore would

have to fund raise, adjust its programming in order to operate out of the space, or the proposed tenancy and project could be placed at risk.

Background Information

(June 8, 2017) Report from the Deputy City Manager and Chief Financial Officer on Facilities, Real Estate, Environment and Energy (FREEE) 2017 Capital Budget - Ward 38, 705 Progress Building Improvements Project Amendment

(<http://www.toronto.ca/legdocs/mmis/2017/bu/bgrd/backgroundfile-104839.pdf>)

Communications

(June 8, 2017) Letter from Councillor Glenn De Baeremaeker (BU.New.BU33.14.1)

(<http://www.toronto.ca/legdocs/mmis/2017/bu/comm/communicationfile-70300.pdf>)

(June 9, 2017) Letter from Councillor Neethan Shan (BU.New.BU33.14.2)

(<http://www.toronto.ca/legdocs/mmis/2017/bu/comm/communicationfile-70303.pdf>)