Authorization to Staff to amend Section 37 Provisions for 403 to 417 Keele Street respecting Community Space (Heintzman Place)

As part of a section 37 agreement entered into in 2003 (as amended in 2008) between the City and the owner of the property known municipally as 403 to 417 Keele Street, the owner agreed to convey to the City a condominium unit of approximately 2,500 square feet of unfinished commercial space on the main floor of Heintzman Place facing Keele Street for community purposes. The requirements for the space restricts its use to community centre, public art gallery or studio, library and/or museum uses.

The condominium unit was conveyed to the City in February, 2012. Despite numerous attempts by City staff from Economic Development (EDC) and Social Development, Finance and Admin (SDFA) to find a qualified tenant, the space has been vacant since 2012. Necessary capital repairs and operating costs have made the space financially prohibitive to community agencies.

The original Section 37 Agreement outlines the steps that must be followed if the City wishes to sell the unit. The agreement states that the original owner and then the condominium corporation, respectively, each have a right of first refusal. If neither of these parties wish to exercise this right, the City can proceed to sell the unit to any other person at fair market value as deemed appropriate by the City.

The City intends to declare this site as surplus. I have no objection to the City's intent to sell the property. As the proceeds must be used for other purposes that would meet the intent of the City’s Section 37 Guidelines, an amendment to the Section 37 agreement is necessary to allocate the use of the funds from such sale for capital improvements to other community uses and/or benefits within Ward 14.
RECOMMENDATIONS:

The Toronto and East York Community Council recommends that:

1. City Council direct the City Solicitor, in consultation with the Director, Community Planning, Toronto and East York District, and the Ward Councillor, to prepare an amendment to the Section 37 agreement, as amended, for 403 to 417 Keele Street, to provide that the proceeds from the sale of the condominium unit (417 Keele Street, Unit 6, Level A, TSC Plan 2136) be deposited into a Section 37 account, to be split equally between:

   a. new affordable rental housing in Ward 14;
   b. new daycare facilities in Ward 14; and
   c. capital improvements to parks in Ward 14.

2. City Council authorize the execution of the amending Section 37 agreement by the appropriate City officials, and that the amending agreement be registered on title

   [Signature]

   Gord Perks
   City Councillor
   Ward 14, Parkdale High Park