



Proposed Land Lease for part of the City-owned Property at 311 Staines Road to the Tamil Community Centre

Date: September 21, 2020

To: General Government and Licensing Committee

From: Executive Director, Corporate Real Estate Management

Wards: Ward 25 - Scarborough-Rouge Park

SUMMARY

The City-owned 311 Staines Road comprises a north parcel and south parcel, separated by a Hydro corridor, which was acquired by the City in 2007, with the provision that the lands be restricted to a naturalized state. The purpose of this report is to provide an update to City Council on the non-binding discussions between staff and the principals of the Tamil Community Centre ("TCC") regarding a proposed land lease (the "Land Lease") for the south parcel of 311 Staines Road (the "Subject Property"). The principals of TCC have proposed a new community centre on the Subject Property which will serve the community as a whole, while providing a focus on serving the Tamil community in particular.

The Tamil community has been working for some time to identify a location within Northeast Scarborough in order to build a new community centre with the goal to address the gap in services available to the broader Tamil community. The proposed location of the new TCC at the Subject Property is ideally located to serve the immediate community along with the broader Tamil communities in Pickering, Ajax and Markham.

In addition, the proposed community centre will work to incorporate the needs of community members at large, who would be able to access and use this facility through a Community Access Agreement which will work as a companion document to the Land Lease. This area is home to a large number of new immigrant families, single parent households, and/or individuals with socio-economic barriers. Communities including Indigenous, Black and Caribbean communities confront similar difficulties in terms of travel time to access vital services, a lack of recreational services, neighbourhood improvement projects, and affordable spaces for community and cultural events. The TCC will be a valuable resource to improve vital services to all communities in the surrounding neighbourhoods.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management, recommends that:

1. City Council authorize the Executive Director, Corporate Real Estate Management, in consultation with the Chief Executive Officer, CreateTO, the General Manager, Economic Development & Culture, the Chief Planner and Executive Director, City Planning, and the General Manager, Parks, Forestry and Recreation, to enter into a fair market-value Long-Term Land Lease based on the terms and conditions outlined in Attachment 2 of this report with the principals of the Tamil Community Centre (which is expected to be named "Tamil Community Centre"), to design, build, finance and operate a new not-for-profit Community Recreation Facility on the south parcel of the City-owned property at 311 Staines Road, as shown and outlined on Attachment 1 of this report, and on such other terms and conditions to be agreed between the parties, as may be approved by the Executive Director, Corporate Real Estate Management, and in a form satisfactory to the City Solicitor.
2. City Council authorize the Executive Director, Corporate Real Estate Management, in consultation with the Chief Executive Officer, CreateTO, the General Manager, Economic Development & Culture, and the General Manager, Parks, Forestry and Recreation, to enter into a Community Access Agreement to accompany the Land Lease authorized by Recommendation 1 above.
3. City Council direct the Executive Director, Corporate Real Estate Management, in consultation with the Chief Executive Officer, CreateTO, to consult with the Executive Director, Social Development Finance and Administration and the Director, Indigenous Affairs Office on how to ensure that the Community Access Agreement is developed to best meet the needs of vulnerable and Indigenous communities.
4. City Council direct the Executive Director, Corporate Real Estate Management, in consultation with the Chief Executive Officer, CreateTO and the Director, Indigenous Affairs Office, to report back on the feasibility of how any agreements may include requirements for Indigenous placemaking and how this would be incorporated into any redevelopment of the Subject Property.
5. With respect to restricting the lands to a naturalized state, City Council grant an exemption for the south parcel, and provide its consent and authority to permit the Land Lease on the terms and conditions as set out in Attachment 2 to this report, Community Access Agreement and any related agreements for the new Community Recreation facility.

FINANCIAL IMPACT

The principals of the Tamil Community Centre (TCC) will be making a capital investment of no less than \$30 million for the construction and completion of the new community centre.

The City will be receiving annual rental revenue of nominal consideration in exchange for the Land Lease. All operating costs will be the responsibility of the TCC resulting in a net and carefree lease and no cost to the City of Toronto.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact section.

DECISION HISTORY

The City of Toronto's acquisition of 311 Staines Road comprising the north parcel and the south parcel and referred to as the Village Securities site, was authorized by GM4.12 adopted by City Council at its meeting on May 23, 24 and 25, 2007. The property is of significant cultural, indigenous and heritage value to the City, and is an important wildlife corridor. Recommendation 7 of GM 4.12 provides that the Village Securities site be restricted to a naturalized state. The acquisition was delayed for some months due to potential litigation, and was completed on December 20, 2007, in accordance with confidential instructions to staff, as set out in CC14.2, adopted by City Council at its meeting of November 19 and 20, 2007.

<https://www.toronto.ca/legdocs/mmis/2007/gm/bgrd/backgroundfile-3287.pdf>

At its meeting of July 23, 2020, the Board of CreateTO approved RA14.3, "Proposed Land Lease for Part of the City-Owned Property at 311 Staines Road to the Tamil Community Centre".

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RA14.3>

COMMENTS

The subject property along with an adjacent parcel to the north ("Attachment 1") was acquired by the City of Toronto (the "City") in 2007 partly for a new community centre to be constructed and operated by the City's Parks, Forestry and Recreation Division ("PFR"). Subsequent to the City purchasing 311 Staines Road, PFR undertook a site suitability analysis and ultimately determined that the ideal location for their new community centre would be at the City-owned Joyce Trimmer Park. Construction of this new community centre at Joyce Trimmer Park is underway and allows for other opportunities to be explored at the Subject Property. Parks, Forestry and Recreation has been engaged throughout this process and is supportive of the proposed lease of the Subject Property to the TCC.

As a part of the due diligence undertaken by the City of Toronto at the time, 311 Staines Road was acquired, it was determined that both parcels formed a part of the Little Archie II lands and that prior to any work undertaken, consultation with the Huron Wendat will be required. The Indigenous Affairs Office at the City of Toronto have indicated that the proposal of a new TCC at the Subject Property provides an exciting opportunity to demonstrate Indigenous placemaking within any future redevelopment.

The principals of TCC undertook an online consultation to identify and engage with a variety of stakeholders, which was launched on a bilingual (English and Tamil) website to address potential language barriers. The online consultation tool, as well as in-person public consultations, gathered data from community members as well as community organizations with diverse mandates designed to address various community needs, helped identify the stakeholder priorities, and the parameters for the project. The priorities identified here were an auditorium, gym, mental health services, history and archival space/museum, library, women's services and disability programming. On a municipal level, the proposed TCC will create a better urban environment through the construction of a landmark building that will enhance the quality of the public realm through its conception within the cultural context of the surrounding neighbourhoods. Drawing on multiple human service sectors, such a facility would serve to enhance the quality of life, health and wellbeing of a large, underserved Tamil community, but also Indigenous, Black and Caribbean communities in the area, by providing equitable access to community services.

It is intended that the TCC be a dynamic, innovative, multi-purpose, and non-denominational facility incorporating spaces and services to help address the current and growing needs of the diverse Canadian Tamil community, as well as Black, Indigenous and other equity-seeking groups by acting as a community hub.

CONTACT

Ryan Glenn, Vice President, Client Relationship Management, CreateTO, 416 981-3753, rglenn@createto.ca

Alison Folosea, Director, Transaction Services, Corporate Real Estate Management, 416-338-2998, Alison.Folosea@Toronto.ca

SIGNATURE

Patrick Matozzo
Executive Director, Corporate Real Estate Management

ATTACHMENTS

Attachment 1 - Site Profile
Attachment 2 - Major Terms and Conditions

Attachment 1 - Site Profile

Dimensions (approximate): Approx. Site Area:	16,722 m ² (180,000 ft ²) 4.13 Acres
Zoning:	Residential
Official Plan:	Neighborhoods
Current Use:	Open Space



Attachment 2 - Major Terms and Conditions

Ground Leased Area: Approximately 16,722 square meters, shown outlined in red on Attachment "1" of this report.

Term Length: The initial term will be for 30 years with an option to extend for 10 years, provided that each of the City and the tenant agree to such extension.

Basic Rent Payable: Annual rent of \$1.00 (one dollar) plus HST.

Capital Investment: Will be the comparable cost of constructing a new community centre of a similar size and location as the planned new Tamil Community Centre, which is estimated to be a capital investment of approximately \$30,000,000.

Use: Leased Area shall be used to construct and continuously operate a not-for-profit publicly accessible community centre with a focus on programming specific to the Tamil Community along with any other appropriate City and community uses, and for no other uses whatsoever, unless agreed to in writing by the Executive Director, Corporate Real Estate Management. The community centre shall be open to the public, inclusive of Indigenous, Black, Caribbean and other marginalized communities 50% of the operating time.

Scope of New Construction Will be limited to a new Municipal Community Centre and ancillary space. All construction shall be subject to prior approval of plans and specifications by the Executive Director, Corporate Real Estate Management. The new Municipal Community Centre and ancillary space shall be completed and open for operations within ten (10) years after the Land Lease and Community Access Agreement are fully executed.

Security: Prior to commencing construction, TCC shall provide a security deposit to the City in an amount equal to 50% of the budgeted value of construction for the Project, to protect the City should the development not take place as contemplated. Such security shall be reduced as work is completed and once the Executive Director is satisfied that all amounts owing to contractors, suppliers and (sub) trades have been paid in full. The security deposit shall be in the form of cash, certified cheque or an irrevocable and unconditional Letter of Credit from a major Canadian bank, in the form required by the City's Chief Financial Officer, and satisfactory to the City's Deputy City Manager, Corporate Services.

Net and Carefree Lease: The Lease shall be completely net and carefree to the City, with TCC responsible for all taxes and all ongoing costs throughout the Term and any extension term.

Ongoing Operating Costs: TCC shall be responsible for all expenses with respect to constructing and operating the new community centre and facilities, including but not limited to, all utilities, insurance, maintenance, repairs and replacements for the Leased Area.

City Labour and Employment Policies: TCC agrees that it shall at all times comply with the City's employment policies, including but not limited to Workers' Rights, Fair Wage,

Labour Trade Contractual Obligations in the Construction Industry, and Non-Discrimination Policies.

Potential Litigation re Change in Use: The TCC shall be responsible for any and all amounts and costs payable with respect to any claim or litigation with respect to the change in use of the Subject Property, from a naturalized state to a new community centre, to be secured by an irrevocable and unconditional Letter of Credit in the amount of Five Million (\$5,000,000.00) Dollars from a major Canadian bank, in the form required by the City's Chief Financial Officer.

Insurance and Indemnity: The TCC shall to take out comprehensive insurance in the amounts and forms as required by the Executive Director, Corporate Real Estate Management, and shall release and indemnify the City for any injury, loss, damage, claims, costs and other proceedings whatsoever.