

City Council**Motion without Notice**

MM31.52	ACTION			Ward: 12
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Amendment to Below Market Rent Lease Agreement with Nia Centre For the Arts Incorporated at 524 Oakwood Avenue - by Councillor Josh Matlow, seconded by Councillor Michael Thompson

*This Motion has been deemed urgent by the Chair.
This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.*

Recommendations

Councillor Josh Matlow, seconded by Councillor Michael Thompson, recommends that:

1. City Council authorize the Executive Director, Corporate Real Estate Management, to negotiate and execute an amendment to the Below Market Rent Lease in respect of 524 Oakwood Avenue, originally dated April 30, 2014 and as amended on October 2, 2020, between the Nia Centre For the Arts Incorporated, as tenant, and the City of Toronto, as landlord, to permit the tenant to perform state of good repair and Accessibility for Ontarians with Disabilities Act compliance work on behalf of the landlord with an estimated value of \$4,000,000, exclusive of taxes, on terms and conditions satisfactory to the Executive Director, Corporate Real Estate Management, including compliance with the City's fair wage policies and labour trade contractual obligations, and in a form satisfactory to the City Solicitor.

Summary

Nia Centre for the Arts Incorporated (the "Tenant") is a Below Market Rent tenant of a City-owned building located at 524 Oakwood Avenue in Ward 15. In May, 2014, the Tenant entered into a 10-year Below Market Rent lease agreement (the "Agreement") for approximately half of the building.

As of November 2016, the Tenant began occupying and providing services from the entire building. A lease amendment was executed in October 2020 to reflect the new leased premises, along with the increased value of leasehold improvements and the need for the Tenant to participate in a repayment plan to reconcile outstanding operating expenses.

The Tenant will complete leasehold improvements to the entire building, valued at a minimum of \$3,050,000, by April 30, 2024. These leasehold improvements, funded by all levels of government, will improve service to the Oakwood-Vaughan community and support programming objectives to transform the facility into a professional arts centre to support, showcase and promote appreciation of the arts from across the African diaspora. To facilitate the coordination of construction work at the building, it is recommended that the Tenant and the City agree that the Tenant will perform, and the City will fund, the Landlord's state of good repair work and Accessibility for Ontarians with Disabilities Act compliance work.

Securing authority for the lease amending agreement is time-sensitive by virtue of the Tenant's construction timelines. Without Council authority to proceed with the State of Good Repair / Accessibility for Ontarians with Disabilities Act work by the Tenant, the construction for leasehold improvements already in progress would be significantly impacted, resulting in considerable delays and additional costs to both the City and the Tenant.

Background Information (City Council)

Member Motion MM31.52