

City Council

Motion without Notice

MM35.43	ACTION			Ward: 9
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390 and 440 Dufferin Street - Small Business Incubation Centre - by Councillor Ana Baião, seconded by Councillor Brad Bradford

** 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 Ana Bailao, seconded by Councillor Brad Bradford, recommends that:

1. City Council direct the Chief Planner and Executive Director, City Planning, to enter into an amending agreement to the Section 37 Agreement dated March 17, 2016 between the City and the Owner of the Lands, in a form satisfactory to the City Solicitor, to implement the following provisions:
 - a. on or before August 1, 2021, the Owner shall post a letter of credit in the City's standard form in the amount of \$2,116,451;
 - b. within 12 months of the posting of the letter of credit, the City shall either:
 - i. enter into a lease for the Small Business Incubator Space, which requires commencement of rent payments no later than 15 months after posting the letter of credit, and return the letter of credit to the Owner; or
 - ii. provide notice to the Owner if the City does not intend to lease the Small Business Incubator Space and upon the City giving such notice the City and the Owner shall take all necessary steps to replace the letter of credit with a payment to the City in the amount of \$2,116,451; and
 - c. in the event the 12 month period in Part 1.b. above expires, and the City

has neither entered into a lease as set out in Part 1.b.i. above, nor provided notice to the Owner as set out in Part 1.b.ii. above, the City shall be deemed to have elected not to lease the Small Business Incubator Space, and upon receipt of payment in the amount of \$2,116,451 from the Owner shall return the Owner's letter of credit.

2. City Council direct the Chief Planner and Executive Director, City Planning to bring forward a report in the fourth quarter of 2021, if any amendments are needed to the Zoning By-law for the Lands or if any further amendments to the Section 37 agreement are required.

Summary

The properties at 390-440 Dufferin Street and 41 Alma Avenue were the subject of a settlement in 2016. The settlement allowed redevelopment of the site's single-storey light industrial workshops for three 9 to 13 storey mixed-use buildings containing residential, retail and employment uses. The redevelopment is required to fully replace the site's existing employment floor space within one of the new buildings, including providing two floors to the City for a 25-year term at subsidized rents for use as a Small Business Incubation Centre. In June 2019, the City selected a sub-lessee and operator for the Small Business Incubation Centre, with a proposal to create an innovation hub for hardware manufacturing and prototyping supporting Toronto's thriving tech sector. Challenging conditions through 2020-2021 have disrupted the assumptions and timelines for this project, and additional time is required to revisit the business model and potential tenants for the space to determine if the City can commit to a lease.

This Motion proposes minor amendments to the Section 37 agreement to delay lease related matters for one year, and to authorize staff to hold a security for the value of the community benefit during this period. These amendments do not conflict with the Section 37 Provisions of Zoning By-law 367-2019(OMB). Staff are further directed to bring forward a report to Council should amendments to the provisions of the site-specific Zoning By-law be required.

Background Information (City Council)

Member Motion MM35.43