

**City Council****Motion without Notice**

<b>MM38.42</b>	<b>ACTION</b>			Ward: 10
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**355 King Street West and 119 Blue Jays Way-Section 37 Agreement—Use of Non-Profit Space - by Councillor Joe Cressy, seconded by Councillor Mike Layton**

*\* 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 Joe Cressy, seconded by Councillor Mike Layton, recommends that:

1. That City Council direct the appropriate City staff to work with the owner of 355 King Street West and 119 Blue Jays Way and The Childcare Research Hub so that the two parties can proceed with a lease negotiation for the non-profit community space located on first and second floors of the subject property.
2. City Council increase the Approved 2021 Operating Budget for Corporate Real Estate Management by \$50,000 gross, \$0 net, fully funded by Section 37 funds obtained from the development at 156 Front Street West (Source Account: XR3026-3701065) for the purpose of providing one time capital funding to the Ontario Coalition for Better Child Care on behalf of The Childcare Research Hub for capital improvements to the non-profit space at 355 King Street West (Cost Centre NP2161).
3. City Council direct that the \$50,000 be forwarded to Ontario Coalition for Better Child Care on behalf of The Childcare Research Hub, subject to Ontario Coalition for Better Child Care signing an Undertaking that governs the use of the funds and the financial reporting requirements.
4. City Council request the Controller to report to the General Government and Licensing Committee on the feasibility and financial implications of designating the community space as a Municipal Capital Facility and exempting the community space from property taxes.

**Summary**

In 2010, the City entered into a Section 37 agreement with the owner of 355 King Street West and 119 Blue Jays Way to permit a large mixed use development. In addition to cash and other contributions, the section 37 agreement requires the owner to provide 900 square metres of non-profit use space, to be used for non-profit arts, cultural or institutional uses. The space has

now been constructed on the ground floor and second floor of the building. The owner is required to lease this space to non-profit users for a term of 25 years, with an option to extend the lease for three further terms of 25 years each, for a total potential term of 100 years. The agreement provides for a triple net lease, with the tenant responsible for all operating costs in connection with the occupancy of the non-profit space. Under the Section 37 agreement it is the owner who selects the tenant of the space and enters into a lease directly with the successful tenant.

A suitable tenant has been identified for this non-profit space: The Childcare Research Hub, which will act as a hub for multiple childcare research and advocacy non-profit organizations. The Childcare Research hub are currently incorporating a new umbrella organization, and its constituent members will be the Childcare Resource and Research Unit, Ontario Coalition for Better Child Care, the Association of Early Childhood Educators Ontario and the Toronto Community for Better Child Care.

I have discussed this tenant with the owner of the property, who is satisfied that this will be an appropriate tenant for the space. Accordingly, I am requesting that City Council direct the appropriate City staff to work with the owner of the property and the proposed tenant so that the two parties can proceed with a lease negotiation for the community space.

This motion is urgent due to a clause in the Section 37 agreement allowing the owner to make a cash payment to the City instead of providing the community space. It is necessary that an appropriate tenant be secured quickly.

### **Background Information (City Council)**

Member Motion MM38.42

<http://www.toronto.ca/legdocs/mmis/2021/mm/bgrd/backgroundfile-174461.pdf>