

REVISED



Member Motion

City Council

Notice of Motion

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| MM39.14 | ACTION | | | Ward: 14 |
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Loan Guarantee for Hugh's Room Live to Support the Purchase of 296 Broadview Avenue - by Councillor Paula Fletcher, seconded by Councillor Brad Bradford

** Notice of this Motion has been given.
* This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*

Recommendations

Councillor Paula Fletcher, seconded by Councillor Brad Bradford, recommends that:

1. City Council approve the request for a loan guarantee (the "Loan Guarantee") to be provided in support of Hugh's Room for the Performing Arts Inc. ("Hugh's Room Live") on an exceptional basis in order to support its lending arrangements for the acquisition of the property at 296 Broadview Avenue for a music and cultural-oriented community centre an amount up to and not to exceed \$2.2 million.
2. City Council direct that the provision of the Loan Guarantee is contingent on Hugh's Room Live being able to demonstrate to the satisfaction of City staff by March 31, 2022 that it has secured financing for the full purchase price of the property.
3. City Council delegate authority to the Deputy City Manager, Community and Social Services to extend the date to secure financing by Hugh's Room Live for the full purchase price should it be determined that an extension is necessary and justified.
4. City Council authorize the Deputy City Manager, Community and Social Services, in consultation with the Chief Financial Officer and Treasurer, to secure the City's financial interest in the property relating to the Loan Guarantee and to negotiate and enter into all related agreements, on such terms and conditions, as are acceptable to the Deputy City Manager, Corporate Services and the Chief Financial Officer and Treasurer, and in a form satisfactory to the City Solicitor.
5. City Council deem the consideration of the Loan Guarantee to be in the interest of the City.
6. City Council advise Heritage Canada of the decision to support Hugh's Room Live through a Loan Guarantee and that City Council supports Hugh's Room Live's grant application to Heritage Canada's Cultural Spaces program.

7. City Council authorize and direct appropriate City Officials to take such action as may be necessary to implement City Council's decision.

Summary

Live music and cultural performance is among one of the most significantly negatively impacted sectors of the Toronto economy during the pandemic. As a result, the City of Toronto is committed to a full range of initiatives to support the healthy recovery of live music and cultural spaces.

In March 2020, Hugh's Room Live, a legendary Toronto live music venue, and a registered charity, lost its rented venue, after successfully operating for 20 years.

Following an extensive search for a permanent home, Hugh's Room Live, has identified as a new home a former church, at 296 Broadview Avenue, designed by the noted E.J. Lennox. Hugh's Room has undertaken considerable due diligence, including developing an operating business case, confirming the purchase price through an independent appraisal, obtaining a building condition assessment, and developing an accessibility plan. Hugh's Room is now in the final stages of negotiating the purchase of the property.

In addition to preserving an important heritage building, Hugh's Room is committed to the principles of diversity and inclusion in its programming, while providing a venue to support a full range of teaching and community uses as well as being an important cultural and music-centred hub for the entire City.

To complete the purchase of the property Hugh's Room has made an application to Canadian Heritage through their Cultural Spaces grant program. The grant application requests \$2.2 million in capital funding to support the purchase and necessary renovations. This Notice of Motion is urgent as a decision by Heritage Canada is not expected until early March 2022 and without the City loan guarantee the vendor is expected to sell to another buyer.

Through its own efforts to date, Hugh's Room Live has confirmed more than \$2.2 million in donations and vendor take back loans but requires up to an additional \$2.2 million in financing to secure the purchase and close on the property no later than March 31, 2022.

As a result, a City of Toronto loan guarantee of up to and not exceeding of \$2.2 million is required at this time to support the important City building work of Hugh's Room Live and to provide the necessary assurances to a financial institution that the City supports Hugh's Room.

Background Information (City Council)

Member Motion MM39.14