



CITY COUNCILLOR

Shelley Carroll 高雪莉
WARD 17 DON VALLEY NORTH



Toronto City Hall
100 Queen Street West, Suite A3
Toronto, Ontario
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July 10, 2023

Re: Request for a Line of Credit Guarantee for Toronto Artscape Inc.

Dear Deputy Mayor McKelvie and Members of Executive Committee,

I am recommending that the Executive Committee add to the agenda the attached report from the Controller and the General Manager, Economic Development and Culture, regarding a request for a line of credit guarantee for Toronto Artscape Inc.

Artscape is a not-for-profit developer that manages 14 properties across Toronto, providing 390 tenants with affordable housing and working spaces. Expansion between 2017-2019, combined with the effects of business disruption during COVID-19 shutdowns, have resulted in Artscape facing cash flow and debt repayment challenges. In response to these challenges, Artscape's Board of Directors has adopted a restructuring plan to reduce debt through asset sales and refocus the organization on its core mandate of providing affordable live, work and presentation space for artists.

Artscape has requested that the City guarantee a \$1.5 million extension to its existing line of credit with TD Bank to allow the organization to meet its cash flow needs while it pursues urgent financial and strategic restructuring through asset sales. Artscape is eligible to receive a guarantee under the Line of Credit Guarantee Policy, based on the organization's existing financial relationship with the City. Details on the proposed terms of the guarantee are included in the attached report.

This request is time sensitive to ensure that Artscape has the necessary support to successfully undertake its restructuring over the course of the summer. I am recommending that we add this important matter as new business to be considered at our July 11 meeting.

Sincerely,

Councillor Shelley Carroll
Chair, Economic and Community Development Committee
Ward 17 - Don Valley North

Attachment 1: Report from the Controller and General Manager, Economic Development and Culture, "Request for a Line of Credit Guarantee for Toronto Artscape Inc." (July 10, 2023)