

City Council

Motion without Notice

MM11.32	ACTION			Ward: All
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Responding to Toronto Artscape Inc. Receivership Proceedings - by Councillor Gord Perks, seconded by Councillor Frances Nunziata

** 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 Gord Perks, seconded by Councillor Frances Nunziata, recommends that:

1. City Council adopt the confidential instructions to staff in Confidential Attachments 1 and 2 to the report dated October 11, 2023, from the General Manager, Economic Development and Culture, the Executive Director, Housing Secretariat, the Executive Director, Corporate Real Estate Management, and the City Solicitor.
2. City Council authorize the public release of the confidential recommendations contained in Confidential Attachment 1 to the report dated October 11, 2023, from the General Manager, Economic Development and Culture, the Executive Director, Housing Secretariat, the Executive Director, Corporate Real Estate Management, and the City Solicitor, if adopted by City Council, but that all other information contained in Confidential Attachment 1 remain confidential as it is about potential litigation that affects the City of Toronto, and contains advice or communications that are subject to solicitor-client privilege.
3. City Council direct that the confidential information contained in Confidential Attachment 2 to the report dated October 11, 2023, from the General Manager, Economic Development and Culture, the Executive Director, Housing Secretariat, the Executive Director, Corporate Real Estate Management, and the City Solicitor remain confidential in its entirety, as it relates to litigation, contains advice which is subject to solicitor-client privilege, concerns the security of property belonging to the City, and / or a proposed or pending acquisition or disposition of land by the City.
4. City Council direct the General Manager, Economic Development and Culture to report back to the Economic Development and Culture Committee in Q4 2023 regarding the status of both interim and long-term efforts to preserve the facilities and services established by Artscape, and the use of any delegated authorities sought in the report dated October 11, 2023, from the General Manager, Economic Development and Culture, the Executive Director, Housing Secretariat, the Executive Director, Corporate Real Estate Management, and the City Solicitor.

Summary

In August 2023, Toronto's arts and cultural community was rocked by the news that Toronto Artscape Inc. ("Artscape") was facing insolvency and would soon enter into receivership.

Artscape's 14 properties represent a cornerstone of Toronto's creative sector. They include affordable homes owned and rented by 265 artists and artist families, and high-quality, purpose-built working spaces for 125 creative entrepreneurs and arts organizations. The prospect of losing these spaces mobilized a wave of support from artists, community members, philanthropists and businesses to maintain the properties as vibrant cultural hubs.

The City has acted quickly and decisively to ensure stability for Artscape tenants. This included working with Artscape and their lenders to secure stays in receivership proceedings through to late October to allow time to develop a fulsome transition plan for each of Artscape's properties. The City also provided one-time funding of \$125,000 to retain approximately 40 Artscape staff members to maintain property management services across each of the sites.

It is anticipated that receivership proceedings will commence in late October. As such, this motion recommends that City Council adopt the confidential directions to staff, included in the attached report, to provide staff with the authority to participate in the receivership proceedings and take any actions deemed necessary to protect the City's interests and preserve the properties for affordable housing and community cultural uses.

Specific City interests include ownership of properties leased by Artscape, contribution agreements for affordable housing for artists and artist families, and encumbrances on title through Section 37 agreements. More broadly, Toronto's cultural community faces a crisis related to the lack of affordable, sustainable spaces for artists to live and work, leading to a wave of prominent venue closures across the city in recent years, and the continued threat of displacement of artists and creative workers. Recognizing these challenges, it is critically important for the City to take action to ensure that these properties can be maintained as affordable housing for creative workers, and cultural hubs for the broader community.

In the coming weeks, City staff will work with Artscape to finalize transition plans for its properties. This motion also recommends that staff report back to Economic and Community Development Committee in Q4 2023 with an update regarding the status of efforts to preserve the facilities and services established by Artscape, including both interim arrangements to maintain operations at the sites, and a long-term plan to ensure that the properties will continue to serve as community cultural hubs. Recognizing the importance of these sites to the community, staff will consult closely with current tenants, as well as other artists, arts organizations and community stakeholders to develop a fulsome and sustainable long-term vision for the Artscape properties.

This motion is urgent as the receivership proceedings are expected to commence prior to the next regular meeting of City Council.

Background Information (City Council)

Member Motion MM11.32

(October 11, 2023) Report from the General Manager, Economic Development and Culture; Executive Director, Housing Secretariat; Executive Director, Corporate Real Estate Management; and City Solicitor on Responding to Toronto Artscape Inc. Receivership Proceedings

<https://www.toronto.ca/legdocs/mmis/2023/mm/bgrd/backgroundfile-239884.pdf>

Confidential Attachment 1

Confidential Attachment 2