

City Council

Notice of Motion

MM13.18	ACTION			Ward: All
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Appointment of City of Toronto Designate to ArtHubs Toronto Inc. Board of Directors - by Mayor Olivia Chow, seconded by Councillor Shelley Carroll

** Notice of this Motion has not been given. A two-thirds vote is required to waive notice.*
** This Motion is subject to referral to the Executive Committee. A two-thirds vote is required to waive referral.*
** This Motion has been deemed urgent by the Chair.*

Recommendations

Mayor Olivia Chow, seconded by Councillor Shelley Carroll, recommends that:

1. City Council appoint the General Manager, Economic Development and Culture, as the City of Toronto's designate on the Board of Directors for ArtHubs Toronto Inc., at pleasure of Council, for a term of office ending on December 31, 2025, or until a successor is appointed.

Summary

This motion recommends that City Council appoint the General Manager, Economic Development and Culture, as the City of Toronto's designate on the board of directors for ArtHubs Toronto Inc ("ArtHubs") for an interim period of two years. ArtHubs is a newly formed not-for-profit organization that will assume responsibility for the operation of the community cultural hubs previously managed by Toronto Artscape Inc ("Artscape"), including Daniels Spectrum (Ward 13), Gibraltar Point (Ward 10), Wychwood Barns (Ward 12), and Youngplace (Ward 10).

In late August 2023, following a period of sustained financial challenges, Artscape announced that it had become insolvent and would soon enter into receivership. The City subsequently worked with Artscape to stabilize its operations by negotiating with Artscape's primary lender to secure a delay in filing receivership proceedings, and by providing a one-time emergency grant of \$125,000 to retain core property management services for Artscape sites, which was matched with other philanthropic support. This allowed time for the City to work with Artscape, its tenants, and other community partners to develop a comprehensive transition plan for each of Artscape's 14 properties.

As of December 6, Artscape is not yet in receivership. It is anticipated that a court date for receivership proceedings will be set in the coming weeks. City Council previously authorized staff via MM11.32 to participate in the receivership proceedings and take necessary actions to protect the City's property interests. Council also requested staff to report back at the end of 2023 on any delegated authorities exercised in response to the receivership. As receivership

proceedings have not yet commenced, staff now anticipate reporting back to City Council on this matter in early 2024.

City efforts have been focused on ensuring the continuity of tenancies for artists, their families and arts organizations housed at Artscape sites. Artscape has recently shared details of the operational transition plan with its tenants. The transition plan ensures that non-profit rental housing will be protected, and that the community hubs will continue to operate as spaces for accessible community arts programming. Key aspects of the transition plan include:

- **Housing:** Artscape Non-Profit Homes Inc. will assume operations of all Artscape-operated rental housing sites. Artscape Non-Profit Homes Inc. is a non-profit housing operator that was established to manage the housing units at Artscape Wychwood Barns and Artscape West Queen West. Artscape Non-Profit Homes Inc. will engage WoodGreen Community Services to provide management services at each of the sites on their behalf.
- **Community Hubs:** ArtHubs Toronto Inc. has been established as a successor non-profit organization to assume operations of the community cultural hubs previously managed by Artscape, including Daniels Spectrum, Gibraltar Point, Wychwood Barns, and Youngplace. ArtHubs will retain many of Artscape's staff to help ensure continuity and stability for tenants and site operations. Through the efforts of the City and a Transition Working Group, arrangements are now in place for financing to ensure necessary working capital for the new not-for-profit's first year of operations, focused on continuity of hub services and tenancy arrangements. In order to secure a matching amount of philanthropic funds, the City will be providing start-up funding of \$250,000 to ArtHubs from existing resources within the 2023 operational budget of the Economic Development and Culture Division, and will review options for operating grant support in 2024, including repurposing of grant funds previously provided to Artscape.

In its first year of operations, ArtHubs will be governed by a three-person board of directors, including representatives from the City of Toronto and ArtHubs' primary financial partner, and a community representative with extensive experience in cultural space management. The board will be responsible for strategic planning, oversight of business reset and stabilization, financial controls, stakeholder relations, and risk management. It is anticipated that the Board will meet bi-monthly, with additional meetings to be called as required. The City will also collaborate with ArtHubs to establish a tenant and community advisory committee to complement the work of the Board of Directors, and ensure that tenants have a strong and active role in shaping the future of the community hubs.

This motion recommends that the General Manager, Economic Development and Culture, be appointed as the City's designate for an interim period of the first two years of operations or until a successor is appointed, to ensure close and active involvement in ArtHubs' start-up phase. It is anticipated that the composition of the board will be expanded beyond three members towards the end of 2025, at which point Council would be asked to review the City's representation.

This motion is urgent in order to ensure that a City of Toronto designate can participate in the initial meetings of the ArtHubs Toronto Board of Directors.

Background Information (City Council)

Member Motion MM13.18