

Evergreen Lease Amendment and Extension Agreement for a Portion of 550 Bayview Avenue (Evergreen Brick Works)

Date: February 23, 2026

To: General Government Committee

From: Executive Director, Corporate Real Estate Management and General Manager, Parks and Recreation

Wards: 11 - University-Rosedale

SUMMARY

The purpose of this report is to seek authority for the City to enter into an amending and extending lease agreement between the City, as manager of the lands, the Toronto and Region Conservation Authority ("TRCA") as owner of the lands and Evergreen as tenant, for a portion of 550 Bayview Avenue as described in Appendix B (the "Leased Premises"), for a 20-year term and on the major terms identified in Appendix A (the "Lease Amendment and Extension Agreement").

Authority is also being sought for the City to enter into a nominal, non-exclusive licence agreement between the City, TRCA and Evergreen for the stratified below grade lands underneath Leased Premises included in the Lease Amendment and Extension Agreement, for the purposes of permitting Evergreen to use those lands for underground geothermal infrastructure, for a 20-year term (concurrently with the Lease Amendment and Extension Agreement) on the major terms identified in Appendix C (the "Licence Agreement").

The current lease agreement dated October 5, 2007, as amended, is set to expire on March 2, 2030. Staff are recommending approval for the Lease Amendment and Extension Agreement and Licence Agreement ahead of the existing agreement expiry to ensure Evergreen can continue to secure the funding necessary to program, manage, operate, and maintain the Brick Works. Evergreen relies on a vast array of philanthropic support and partnerships, in addition to grant funding and operating revenues, which is difficult to secure without a long-term lease.

In addition to extending the term, the Lease Amendment and Extension Agreement seeks to update the current agreement entered pre-construction. The Lease Amendment and Extension Agreement will amend terms as appropriate and remove terms no longer applicable to reflect a fully operational, mature public site. It will simplify

the relationship with Evergreen and consolidate related and ancillary agreements where possible that were entered into in response to evolving needs. Other related agreements that cannot be consolidated will be extended to run concurrently with the Lease Amendment and Extension Agreement and Licence Agreement.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management and General Manager, Parks and Recreation recommend that:

1. City Council authorize the Executive Director, Corporate Real Estate Management, on behalf of the City, in consultation with the General Manager, Parks and Recreation, to negotiate and enter into a lease amending and extending agreement for 20-years with the Toronto and Region Conservation Authority and Evergreen, in respect of a portion of the property municipally known as 550 Bayview Avenue (the "Lease Amendment and Extension Agreement"), as shown in Appendix B hereto, and substantially on the terms and conditions set out in Appendix A of this report, and on such other or amended terms and conditions that are acceptable to the Executive Director, Corporate Real Estate Management, or their designate, in consultation with the General Manager, Parks and Recreation, and in a form satisfactory to the City Solicitor.
2. City Council authorize the Executive Director, Corporate Real Estate Management, on behalf of the City, in consultation with the General Manager, Parks and Recreation, to negotiate and enter into a new nominal licence agreement for 20-years with the Toronto and Region Conservation Authority and Evergreen, in respect of a below grade portion of the property municipally known as 550 Bayview Avenue (the "Licence Agreement"), as shown in Appendix B hereto, and substantially on the terms and conditions set out in Appendix C of this report, and on such other or amended terms and conditions that are acceptable to the Executive Director, Corporate Real Estate Management, or their designate, in consultation with the General Manager Parks and Recreation, and in a form satisfactory to the City Solicitor.
3. City Council authorize severally each of the Executive Director, Corporate Real Estate Management, and the Director, Real Estate Services, to negotiate and execute the Lease Amendment and Extension Agreement and Licence Agreement, and any related or ancillary agreements on behalf of the City.

FINANCIAL IMPACT

The Lease Amendment and Extension Agreement and the Licence Agreement with Evergreen are net nominal agreements. Evergreen will continue to be responsible for all costs related to the property, which shall be paid directly to the applicable service providers. This includes all capital and operating costs, and any property taxes related to the Leased Premises, which has been designated as a Municipal Capital Facility as per By-law 1333-2013.

The opportunity cost that the City is foregoing in potential market rent over the 20-year term is estimated to be roughly \$32,000,000 in total revenue based on comparable agreements for commercial businesses operating within parkland.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact section.

DECISION HISTORY

In 2013, City Council, at its meeting held on October 8, 9, 10, and 11, adopted Item GM24.6 of the Government Management Committee which granted authority to adopt the necessary by-laws to designate portions of the leased premises at 550 Bayview Avenue used by Evergreen as Municipal Capital Facilities to provide a property tax exemption for municipal and education purposes (By-law 1333-2013).

<https://secure.toronto.ca/council/agenda-item.do?item=2013.GM24.6>

In 2008, City Council, at its meeting held on December 1, 2 and 3, adopted Item GM19.17 of the Government Management Committee which granted authority to enter into an amending agreement with Toronto And Region Conservation Authority and Evergreen to amend the Ground Lease to facilitate Project construction in two phases, and to enter a new lease with Evergreen and the City for nominal consideration for a portion of the City-owned road allowance adjacent to the north-easterly limit of the Canadian Pacific Railway Lands abutting the Project for parking and access purposes.

<https://secure.toronto.ca/council/agenda-item.do?item=2008.GM19.17>

In 2007, as a result of ongoing negotiations and changes to the project scope, City Council, at its meeting held on July 16, 17, 18 and 19, 2007, adopted Item GM6.7 of the Government Management Committee which granted authority to revise lease terms previously authorized by City Council as attached in Appendix "1" to such report, including a Heritage Easement Agreement.

<https://secure.toronto.ca/council/agenda-item.do?item=2007.GM6.7>

In 2006, Evergreen submitted a Master Plan to the City for the restoration and adaptive re-use of the heritage buildings at Don Valley Brick Works site, adjacent to the City's Don Valley Brick Works Park. Subsequently City Council, at its meeting held on July 25, 26, and 27, 2006, adopted Clause 23 of Report No. 5 of the Administration Committee which granted authority to enter into a Lease with Evergreen for the Leased Premises on the terms and conditions attached as Schedule "A" to such report.

<http://www.toronto.ca/legdocs/2006/agendas/committees/adm/adm060704/admdd.pdf>

In 2004, pursuant to the authority granted in Consolidated Clause 2 of the Economic Development and Parks Committee adopted by City Council at its meeting held on September 28, 29, 30 and October 1, the City and TRCA entered into a Memorandum of Understanding (MOU) with Evergreen based on a proposal Evergreen made in response to a Request for Proposals that the City issued in 2003.

<http://www.toronto.ca/legdocs/2004/agendas/committees/edp/edp040913/agenda.pdf>

COMMENTS

Background

Evergreen at the Don Valley Brick Works Park

In 1997, the City of Toronto, in cooperation with TRCA, completed large scale ecological restoration efforts to transform Don Valley Brick Works Park from a former quarry to the City's first flagship natural environment park. Following the park opening, in 2003, the City issued a Request for Proposal seeking proponents to raise the capital necessary for the restoration and adaptive re-use of the remaining heritage structures at the Don Valley Brick Works to create a centre for environmental learning and urban ecology. Evergreen was the successful proponent, and a Memorandum of Understanding ("MOU") was entered. The MOU contemplated a lease of the industrial pad, a complex of contaminated industrial buildings that were historically designated and had become derelict.

The project required an initial capital investment of \$55 million for the restoration and adaptive reuse of the property. The City's contribution was a nominal rent lease, and a \$7.5 million loan guarantee provided jointly and severally by the City and TRCA of a capital loan provided by Royal Bank of Canada, which has since been repaid.

With the completion of Evergreen's capital project and opening of the "Evergreen Brick Works" in 2010, the site was successfully transformed into Canada's first large-scale community environmental centre. Since its opening, the Evergreen Brick Works has functioned as the non-profit organization's showcase for experiencing the relationship between nature, culture and community, in connection with the City's Don Valley Brick Works Park. Evergreen has continued to invest in the site, including another \$20 million in improvements to the TD Future Cities Centre. Their total capital investment in the Leased Premises is currently at \$75 million.

As of 2025, the annual estimated attendance at the site is 500,000 people, including both local residents and visitors to Toronto.

Future Outlook at the Brick Works

Evergreen continues to operate the Brick Works as a leading centre for environmental learning, community programming, cultural experiences, and innovative partnerships. As the site evolves, Evergreen's work remains closely aligned with City mandates across Parks, Forestry and Recreation, Economic Development and Culture, and Environment, Climate and Forestry, advancing shared objectives related to public space activation, climate action, cultural vibrancy, and environmental stewardship.

Programming and Partnerships

The Brick Works operates as a year-round destination grounded in diverse partnerships and community-focused programming. Evergreen collaborates annually with more than 45 artists and arts organizations, over 75 performers, hundreds of farmers and small businesses, and thousands of youth, students, community groups, and corporate teams. In 2024, Evergreen delivered more than 450 events, activations, and community

programs that collectively reflect the diversity of Toronto. Key program offerings at the Brick Works include Toronto's largest year-round farmers market, climate-focused and nature-based community programming, recreation opportunities connected to the Don Valley trail network, a range of heritage, environmental, and artistic exhibits, and numerous festivals, community gatherings, and cultural events. Evergreen also maintains a commitment to reducing barriers to participation by offering bursaries and free community programs.

Site Tenancies and Innovation Ecosystem

Tenant uses at the Brick Works reflect Evergreen's partnerships across food systems, innovation, and culture, including a growing food and beverage strategy, an innovative technology development initiative, an emerging co-working space focused on city-building solutions, and longstanding relationships with organizations specializing in nature-based learning. Through this mix of uses and relationships, Evergreen is shaping a hub for city-building innovation and public-space leadership.

Ravine and Trail Connections

Evergreen plays a significant role in advancing the City's Ravine Strategy. Under Council direction, Evergreen is leading community engagement, early design work, and a major fundraising campaign for the Loop Trail - a 72-kilometre continuous trail network that connects communities to nature across Toronto. These initiatives enhance public access, improve the user experience along the ravines, and strengthen connections between the Brick Works, nearby neighborhoods, and the broader trail system.

Capital Investments and Future Readiness

Evergreen continues to reinvest significantly in the Brick Works to enhance adaptive reuse, visitor experience, environmental performance, and community benefit. A current \$16 million capital project focuses on improvements to accessibility, visitor amenities, stormwater management, flood resilience, and progress toward net-zero operations. With this work, Evergreen's total investment in the Leased Premises will exceed \$91 million.

Lease Amendment and Extension Agreement

The proposed Lease Amendment and Extension Agreement is intended to modernize and streamline the existing framework between the City, TRCA and Evergreen so that it reflects the evolution of the Brick Works from a major capital redevelopment project to a mature, fully operational public site. The renewal seeks to simplify outdated construction-era provisions, recognize Evergreen's long-standing stewardship and significant capital investment, and provide greater operational autonomy in programming, tenant management, and day-to-day site operations. It also modernizes permitted uses to reflect current needs and strengthens Evergreen's financial sustainability through clearer and more equitable operating requirements. The relationship between Evergreen, the City, and TRCA has grown over the years since the original lease was entered into pre-construction. In response, Evergreen has also entered into several other agreements with the City, some of which were contemplated in the original lease, such as the Heritage Easement Agreement, Assumption Agreement, and Tri-Party Use agreement. Since the original lease, the City has also provided a licence for Evergreen to use the parking lot, a licence to clarify

acceptable use of the Lower Don Trail and adjacent parklands, and an agreement for City staff to use and maintain a portion of office space (Unit 406, Building 12) for ancillary storage and parking. These agreements will be updated and consolidated into the new Lease Amendment and Extension Agreement where possible, whereas others that remain separate will be reviewed and extended to align with the new term.

The Leased Premises, located at 550 Bayview Avenue, are situated on land that is owned by the TRCA and managed by Parks and Recreation as part of the City's parkland system under a MOU between the City and the TRCA dated June 14, 1961. As a result of the current lease and new Lease Amendment and Extension Agreement, Evergreen will continue to take on the operating and maintenance responsibilities within the Leased Premises, while Parks and Recreation will continue to manage the surrounding public areas including the Don Valley Brick Works Park, nearby trails, public washrooms, and an off-leash area.

Evergreen Brick Works Geothermal Infrastructure

As part of Evergreen's site revitalization, a complex geothermal system was installed beneath the site to support sustainable building operations and reduce energy consumption. The existing lease agreement does not extend below grade to provide sufficient real estate rights to support this existing infrastructure. In 2021, tunnelling work for the Coxwell Tunnel By-pass passed beneath the Brick Works Park and struck Evergreen's below-grade geothermal system. The system was damaged, and the City's project experienced delays and additional costs. Both Evergreen and the City engaged their insurers and initiated claims to recover their respective losses.

Staff are recommending a separate below-grade Licence Agreement to formally recognize and permit Evergreen's continued use, maintenance, and repair of these subsurface works. The need for this Licence Agreement has been reinforced by recent construction activity in the area, which highlighted the importance of clearly identifying the location, ownership, and access rights associated with the geothermal system to avoid future conflicts and ensure that both Evergreen and the City can manage underground infrastructure safely and effectively.

Conclusion

To continue supporting Evergreen's ongoing stewardship, capital investment, and community programming at the Brick Works, staff in Corporate Real Estate Management, in consultation with staff in Parks and Recreation, recommend the supporting real estate agreements are extended and modernized to reflect the evolution of the Brick Works since the site's original redevelopment. The updated lease structure will enable Evergreen to secure the funding and operational flexibility needed to sustain and enhance the Brick Works as a leading environmental, cultural, and community destination.

CONTACT

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SIGNATURE

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ATTACHMENTS

Appendix A - Lease Amendment and Extension Agreement Major Terms and
Conditions
Appendix B - Location Map and Leased Premises Outline
Appendix C - Licence Agreement Major Terms and Conditions

Appendix A – Lease Amendment and Extension Agreement Major Terms and Conditions

Landlord	City of Toronto and Toronto and Region Conservation Authority (TRCA)
Tenant	Evergreen
Leased Premises	The lands, including buildings and capital improvements on a portion of the property municipally known as 550 Bayview Avenue, as highlighted in Appendix B, extending one meter below grade.
Term	20 years, starting on the Commencement Date
Commencement Date	September 1, 2026, or such other date as approved by the Executive Director, Corporate Real Estate Management
Basic Rent	Nominal - \$2 per annum plus Harmonized Sales Tax
Additional Rent	Includes Operating Costs, utilities, property taxes etc. The Tenant will pay Additional Rent directly to the applicable service providers.
Operating Costs	<p>These include but are not limited to:</p> <ul style="list-style-type: none"> • Charges for utilities and similar services; • Costs in connection with the maintenance, repair, alteration, replacement, and operation of the Leased Premises and of complying with all applicable laws, directions, rules and regulations; • Costs of providing service call of any nature, security, supervision, landscaping, window cleaning, floor and carpet cleaning and replacement, waste collection, disposal and recycling, snow removal, janitorial supply, pest control and other costs of maintenance and operation; • Costs related to the management, maintenance and operation of the Leased Premises; and, • Costs of insuring the Leased Premises.
Tenant's Taxes and Sales Taxes	The Tenant shall pay all applicable taxes imposed by all levels of government in respect of its business at the Leased Premises.
Net Lease to Landlord	The Lease shall be absolutely net to the Landlord. Any obligation which is not stated to be that of the Landlord shall be the Tenant's responsibility.

<p>Permitted Use</p>	<p>The Leased Premises shall be used and managed by the Tenant in accordance with the lease, Heritage Easement Agreement, the Assumption Agreement and the applicable use restrictions therefore as set out in the City's official plan and zoning designations from time to time for the following purposes:</p> <p>(a) repairing, improving, maintaining and operating the Leased Premises, including the public open space within the Leased Premises;</p> <p>(b) creating, maintaining and operating a public space and Toronto destination based on and in accordance with the Shared Values and Operating Principles* and the Heritage Easement Agreement; and</p> <p>(c) conducting public programming for general public usage within the Leased Premises, all in accordance with the terms of the Lease, ancillary agreements and the Shared Values and Operating Principles.</p>
<p>Operating Hours and Public Access</p>	<p>In accordance with the Shared Values and Operating Principles, the Tenant shall operate and keep the Leased Premises open to the public daily, and in a manner that promotes public use to the greatest extent possible.</p>
<p>Naming and Signage Rights</p>	<p>The Tenant shall, at its own expense, operate the Leased Premises in accordance with the City's signage by-laws and naming protocols in effect from time to time and the provisions of the Heritage Easement Agreement. In this regard the Tenant agrees that the Leased Premises, from the outset and continuously throughout the Term, shall be named the Evergreen Brick Works, which shall not be changed without the prior written consent of the City.</p> <p>The Tenant shall, at its own expense, be permitted to honour donors making significant capital donations to the Tenant from time to time, by allowing them to install a sign or plaque and by associating the name of such donors with respective buildings, spaces and facilities, subject to certain terms and conditions acceptable to the Executive Director, Corporate Real Estate Management.</p>

<p>Alterations and Other Tenant Work</p>	<p>Any work to the Leased Premises to be completed at the behest of the Tenant will be completed by the Tenant at its own expense, provided:</p> <p>(a) the Tenant shall not perform major capital work on the Leased Premises until it has obtained all of the required permits and approvals from the City, as well as obtained the Landlord's written consent.</p> <p>(b) once approved, such plans and drawings shall not be modified by the Tenant without the prior written consent of the Landlord.</p> <p>(c) the Tenant shall comply with the Landlord's policies respecting non-discrimination and the Fair Wage Policy, as well as TRCA's regulatory standards.</p>
<p>Tenant Maintenance and Repairs</p>	<p>The Tenant shall operate, repair, maintain and keep the Leased Premises and all leasehold improvements in good condition and repair, including costs of a capital nature.</p>
<p>Assignment and Permitted Occupants</p>	<p>The Tenant shall be permitted to enter into occupancy agreements with permitted occupants, which may include for profit businesses at market rates for a portion of the Leased Premises, subject to and conditional upon compliance with terms and conditions acceptable to the Executive Director, Corporate Real Estate Management, including but not limited to compliance with the Lease, heritage easement agreement, assumption agreement and applicable laws.</p>
<p>Release of Landlord by Tenant</p>	<p>The Landlord shall not be liable for any personal injury or death of, or loss or damage to any property belonging to the Tenant or any other person at the Lands or Building. The Tenant will release the Landlord from all claims in respect of damage required to be insured against by the Tenant.</p>
<p>Indemnity by Tenant</p>	<p>The Tenant will fully indemnify and save harmless the Landlord and its Authorized Members of, from and against all claims whatsoever. The Tenant agrees that it will not pursue any Claim against a third party which may result in any Claim by such third party against the Landlord.</p>

<p>Shared Values and Operating Principles</p>	<p>To be established in consultation with key internal City stakeholders. For illustrative purposes, may be defined as follows:</p> <p>Shared Values:</p> <ul style="list-style-type: none"> • Sustainability and Climate Resilience • Diversity • Accessibility • Inclusion • Equity • Commitment to reconciliation • People-centered and compassionate • Innovation <p>Evergreen Brick Works Operating Principles:</p> <ul style="list-style-type: none"> • Prioritize relationships, focus on working closely with the community and partners to achieve mission-aligned impact. • Seek to learn and grow every day, testing ideas on the ground to find and bring to life innovative solutions with the communities we serve. • Design for everyone, whether in physical space or in program development. • Strive for continuous improvement to the site, aligning with broader goal of always leaving public spaces better than they were found. • Operate in a green, sustainable manner, prioritizing work to become and maintain net-zero status. • Work to strengthen the Brick Works' connection to Toronto's ravines and the Indigenous heritage of the site. • Address fiscal challenges through careful financial planning to ensure the long-term viability of the site. • Seek to make decisions in the best interest of the public, recognizing the Brick Works as a community gathering space that is relied upon by many. • Prioritize the dignity and inclusion of all visitors to the site. • Act with honesty, diligence, fairness and ethics
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Appendix B – Location Map and Leased Premises Outline



Appendix C – Licence Agreement Major Terms and Conditions

Licensors	City of Toronto (the "City") and Toronto and Region Conservation Authority (the "TRCA")
Licensee	Evergreen
Licensed Premises	For the below grade lands within a portion of 550 Bayview Avenue, as highlighted in Appendix B, specifically for the lands currently in use for existing infrastructure, and exclusive of any easement lands in favour of the Licensor. To be defined by way of a Stratified Reference Plan with an upper limit of 1 metre below grade and a lower limit of just beneath the existing infrastructure.
Term	20 years, to run coterminous with the Lease Agreement
Reference Plan	To be obtained by Licensee prior to entering into the Licence
Permitted Use	Non-exclusive use of the lands required to store, support and maintain the existing underground geothermal infrastructure in connection with the Evergreen Brick Works operations
Licence Fee	Nominal
Net Licence	Any capital, operating costs, utilities, property taxes etc. in connection with Evergreens use of the Licensed Premises is the responsibility of Evergreen
Indemnity	Licensee to indemnify the Licensor against any claims made as a result of the Permitted Use on the Licensed Premises
Licence	Licence to be on the Licensor's standard form