

Nominal Lease with Birchmount Bluffs Neighbourhood Centre at Birchmount Community Centre

Date: July 6, 2026

To: General Government Committee

From: Executive Director, Corporate Real Estate Management

Wards: 20 - Scarborough Southwest

SUMMARY

This report seeks authority for the City to enter into a nominal lease agreement with Birchmount Bluffs Neighbourhood Centre (“BBNC”) as tenant, for a portion of Birchmount Community Centre, located at 93 Birchmount Road as described in Attachment 2 (the “Leased Premises”) for a five-year term and based substantially on the major terms identified in Attachment 1. BBNC is a non-profit organization that has been providing services for the local community in Ward 20 and has operated at this location since 1994.

Staff are recommending approval for the lease agreement to provide BBNC with exclusive use of a reception office, administrative offices, and programming space for childcare services. Access for these spaces also supports BBNC’s operations in other shared program rooms administered through permits, to deliver recreation and social programs for the community.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management recommend that:

1. City Council authorize the Executive Director, Corporate Real Estate Management, in consultation with General Manager, Parks and Recreation, to negotiate a nominal lease agreement (the “Lease”) with Birchmount Bluffs Neighbourhood Centre, as tenant, (the “Tenant”) in respect of premises at the property municipally known as 93 Birchmount Road, substantially on the terms and conditions as set out in Attachment 1 to the report from the Executive Director, Corporate Real Estate Management, General Manager, Parks and Recreation, as illustrated on the Location Map and Floor Plan (the “Leased

Premises”) as set out in Attachment 2 to the report from the Executive Director, Corporate Real Estate Management, respectively and including such other or amended terms and conditions that are acceptable to the Executive Director, Corporate Real Estate Management and in a form satisfactory to the City Solicitor.

2. City Council authorize severally each of the Executive Director, Corporate Real Estate Management, and the Director, Real Estate Services, Corporate Real Estate Management to execute the Lease, and any related documents on behalf of the City.
3. City Council authorize the General Manager, Parks and Recreation in consultation with Executive Director, Corporate Real Estate Management to sign on behalf of the City of Toronto a Service Level Agreement and any ancillary agreements and documents, and to amend the agreements as required with Birchmount Bluffs Neighbourhood Centre for a term of five years commencing approximately August 15, 2026 with an option to renew for an additional five years, in alignment with the lease and substantially based on the terms and conditions outlined in Attachment 1 of this report, on such other terms and conditions acceptable to the General Manager and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

Currently, no rent is collected from BBNC for their use of exclusive space. Upon the execution of the agreements, the rent will remain nominal at \$2.00 per year and BBNC will be responsible for their proportionate share of operating cost for the use of the facility (such as utilities, maintenance), which is approximately \$32,000 annually. This is consistent practice with other nominal lease agreements with non-profit organizations.

No additional financial impact is anticipated for the City.

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

DECISION HISTORY

City Council at its meetings of October 26 and 27, 1999 adopted the report titled “Lease Renewal- Birchmount Bluffs Neighbourhood Centre” to renew the lease with Birchmount Bluffs Neighbourhood Centre:

<https://www.toronto.ca/legdocs/1999/minutes/council/appa/cc991026/adm6rpt.htm>

COMMENTS

Background

Birchmount Bluffs Neighbourhood Centre (BBNC) is a long-standing community organization which provides recreation and social services in southwest Scarborough. For over 30 years, BBNC provided a variety of programs for all ages, including but not limited to: fitness programs, aquafit classes, social programs, accessible recreation services, EarlyON programs, childcare services, and Share365, where it supports 200 families in need each month with food and essential hygiene items.

Operating from Birchmount Community Centre at 93 Birchmount Road, BBNC relies on grants, fundraising, user fees, and other funding sources, including funding from Social Development and Children's Services, to deliver programs and services that align closely with Council priorities related to equity, social development, and community well-being. Executing this lease will ensure BBNC has appropriate exclusive space to administer ongoing recreation and social services for the community, while also supporting deliverables under Social Development and Children's Services funding programs. A nominal lease agreement is recommended to help keep programs sustainable and services affordable for the community. Since the 1999 lease renewal, BBNC has continued to operate from Birchmount Community Centre, while the City reviewed and refined the appropriate framework to support BBNC's occupancy and delivery of community services. The proposed Nominal Lease and Service Level Agreement will formalize the relationship, and establish current operational, programmatic, and accountability requirements.

Childcare Access and Expansion

Birchmount Community Centre is located in Scarborough Southwest which is a high priority ward for childcare expansion. The average childcare access rate (i.e., the number of infant, toddler, and preschool spaces as a percentage of children age 4 and under) is 37% in Toronto. The access rate in Scarborough Southwest is only 21%. Preserving existing spaces and supporting opportunities for expansion are important in ensuring families have access to childcare. The nominal lease agreement will enable BBNC to expand its childcare services to full-time hours in the current room and to dedicate an outdoor play area for childcare use.

Non-Exclusive Program Spaces

Aside from the exclusive reception for customer service, office space for staff use and childcare area, BBNC can reserve the use of shared program rooms and swimming pool from Parks and Recreation through seasonal permit bookings to operate their social and recreational programs including fitness classes, aquafit programs, children programs, youth programs, seniors programs and more. These permitted spaces are non-exclusive and shared with other City programs and permit-holders. This hybrid model of nominal lease for exclusive spaces and permit bookings is the most economical option for the non-profit organization for their operation, and maximizes the use of spaces for City programs and community groups.

Conclusion and Next Steps

Staff recommend proceeding with a nominal lease agreement and service level agreement to secure exclusive spaces required for the continuation of their programs and services, to formalize the terms of collaboration between the City and BBNC, and ensure that BBNC can explore expansion of their childcare program by the fall of 2026.

CONTACT

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SIGNATURE

Patrick Matozzo
Executive Director, Corporate Real Estate Management

ATTACHMENTS

Attachment 1: Major Terms for Nominal Lease and Service Level Agreements
Attachment 2: Leased Premises

Attachment 1: Major Terms for Nominal Lease and Service Level Agreements

1. Nominal Lease - Major Terms

Landlord	City of Toronto (the "City")
Tenant	Birchmount Bluffs Neighbourhood Centre ("BBNC")
Nominal Leased Premises	This nominal lease pertains to the leased premises in the building municipally known as Birchmount Community Centre (93 Birchmount Rd.) in Toronto, Ontario (the "Building"), comprising an area of: • Approximately 475 ft² of office space on the ground floor • Approximately 375 ft² for the BBNC reception on the ground floor • Approximately 760 ft² for the childcare space known as "Kids Korner" on the ground floor • Approximately 855 ft² for the outdoor area directly adjacent to the exterior of Kids Korner, where a fence is to be paid for by BBNC to designate the outdoor childcare space.
Term	Five (5) years
Option to Renew	The Tenant shall have one option to renew the Nominal Lease for an additional five (5) year term, provided the Tenant is in compliance with the Nominal Lease Terms and Service Level Agreement, and continues to meet the eligibility requirements established by the City.
Use of Common Facilities	The Tenant will have non-exclusive use of common facilities within the Building in common with all other tenants and users of the building. These include: washrooms, hallways, foyer and lobby areas.
Condition of Nominal Leased Premises	The Tenant will accept the Nominal Leased Premises, the Building and the lands on which same are situate in an "as is" condition.
Right to Terminate	The Landlord will have the right to terminate the Nominal Lease on six month's notice.
Basic Rent	Basic Rent for the Term is \$2.00 per annum plus all applicable taxes.

Landlord	City of Toronto (the “City”)
Additional Rent	Additional Rent includes operating costs (i.e. utilities, caretaking, hydro, gas, security, facility maintenance etc.), based on proportionate share of the Organization’s Nominal Leased area. The Tenant will pay the estimated monthly additional rent for operating costs monthly, and the actual operating costs will be reconciled at the end of the year.
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 Nominal Leased Premises
Equipment, Furniture, and Communication Networks	The Tenant shall be responsible for supplying, maintaining, inspecting, securing, and replacing their equipment, furniture, electronics, or other chattels for their operations. Any dedicated phone lines, internet, and/or network for the Tenant’s operations shall be fully paid by the Tenant.
Tenant's Contribution to Realty Taxes	The Tenant shall pay to the Landlord all taxes assessed and charged against the Nominal Leased Premises, if any.
Permitted Use	The Tenant agrees that it shall only carry out the following use at the Nominal Leased Premises: provision of recreation and social programs for the community as outlined in Service Level Agreement. The Tenant shall pay all expenses and obtain and maintain at all times, all permits, licenses and authorizations necessary to carry on its Permitted Use. The Tenant shall at all times comply with the terms and conditions of the Service Agreement between the Landlord and the Tenant relating to the Tenant's use of the Nominal Leased Premises.
Subleasing	The Tenant shall not be entitled to sublease, sublicense, permit out, assign, or provide use of the Nominal Leased Premises and/or rooms and parts of the Building to third parties or other entities without the written consent of the Landlord.

2. Service Level Agreement – Major Terms

City of Toronto	City of Toronto (the “City”)
The Organization	Birchmount Bluffs Neighbourhood Centre (“BBNC”)
Term	Five (5) years, same as Nominal Lease.

City of Toronto	City of Toronto (the “City”)
Option to Renew	BBNC has the option to renew the Service Level Agreement with the City for an additional five (5) years pending review by the City to ensure eligibility and compliance with the Service Level Agreement terms and the consent of the General Manager, Parks and Recreation.
Eligibility Criteria for a Nominal Lease	During the Term, the Organization shall continue to meet the eligibility criteria for the City’s support for a Nominal Lease, including: (d) the Organization shall be incorporated as a not-for-profit corporation, and may not be a subsidiary or related entity of a for-profit corporation or a for-profit social enterprise; (d) the Organization shall provide social or health programs and/or services (excluding emergency shelters and housing) or cultural or recreational services to Toronto residents that: • meet a community need; • are consistent with the strategic directions or objectives of City Council and/or a City Division; • are services the City may otherwise provide; and • will be the only services and functions provided in the Premises and will be available to the public; (d) the Organization shall be in good financial standing and not in default under any existing Nominal Lease, service agreement, or other agreement with the City, and shall have limited risk of insolvency or bankruptcy; and (d) upon request by the City, in a timely manner, the Organization shall provide documentation the Organization’s ability to meet: • Requirements of the Nominal Lease • Service and Programming Requirements • all applicable laws and policies of the City.

Services and Programming Requirements	During the Term, the Organization shall provide the following types of programs and services : • Early Years programming, examples can include: Dance, Art, Social and Early ON programs. • Children’s instructional and/or drop-in programming, examples can include: crafts, cooking, art, dance, and family programming. • Youth instructional and/or drop-in programming, examples can include: leadership programs, social clubs, advisory councils, cooking programs. • Older Adult/Seniors instructional and drop-in programming, examples can include: dance programs, walking programs, social programs, cooking programs, wellness and meditation programs, technology and social media programs. • Fitness programs, examples can include: yoga, cardio, stretch programs, boot camps, Zumba, boxercise, body sculpting, osteofit and healthy bones programs. • Aquatic fitness programs, examples can include: Aquafit, Hot Tub Stretch, Aqua HIIT. • Social programs, an example can include: Share 365, newcomer programs. Changes to programming offerings above may be made with the General Manager’s written approval. The majority of the programs and services shall serve children, youth, and seniors. Programs, services, and memberships shall be open to the public. Fees for participants must be affordable and in line with the City of Toronto user fees (Chapter 441) fees for similar recreation programming. The programming and rates will be determined by the Organization and approved by the General Manager of Parks and Recreation (“General Manager”). The Organization shall comply with the General Manager’s reasonable requests for changes to programming and rates. The Organization shall also have a financial assistance policy to provide affordable services to those in financial need who
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City of Toronto	City of Toronto (the “City”)
	wish to participate in programs and services. Neither party has exclusive rights to offer any particular program or service. The Organization’s programming must be coordinated in advance with the General Manager to ensure collaboration rather than competition in serving local residents. Coordination and planning shall occur at Operations Committee meetings. The Organization shall provide the City of Toronto with special events and program plans in advance, as determined by the Liaison Committee, to ensure that City staff can coordinate programming. Provision of space and accommodation for the special events are not guaranteed and are subject to the permit process and the General Manager’s approval. The General Manager must be advised in writing by the Organization in advance of any proposed material changes to the Organization’s services and/or programs, including adding new or discontinuing existing programs prior to implementation. Concerns can be raised and discussed at Liaison Committee to ensure that any material changes would not affect eligibility. Childcare services shall be operated out of the exclusive childcare space within the Leased Premises known as “Kids Korner” and the fenced area within the Leased Premises. Administration and customer service shall occur in the exclusive back office and reception areas within the Leased Premises. Shared-use programming rooms and spaces, not covered by the lease, are non-exclusive spaces that are also used by the City and other permit holders. The use of such spaces shall be booked by the Organization through the City’s permit process.
Residency and Services	Programs and services offered will serve residents of the community by ensuring a minimum of 90% or greater of total club memberships are reserved for City of Toronto residents. The Organization shall establish non-resident fees which shall be in line with City of Toronto Chapter 441 fees for similar recreation programming, and subject to the General Manager’s approval.

City of Toronto	City of Toronto (the “City”)
Liaison Committee	Liaison Committee shall consist of at least two representatives of senior staff from the City and two from the Organization. This may include: • City Community Recreation Managers from CR Business Units for Birchmount Community Centre • BBNC Executive Director • BBNC Board Chair/President Meeting requirements: A minimum of two meetings per year Mandate: The Liaison Committee will advance collaboration between the City and the Organization, coordinate strategic goals, and resolve conflicts.
Operations Committee	Operations Committee shall consist of at least three onsite staff for each party who plan and oversee programs and services for the City and the Organization, which may include: • City Community Recreation Supervisors (Aquatic, Non-Aquatic), and Facility Operations Supervisor for Birchmount Community Centre • City Community Recreation Programmers and Youth Outreach Workers for Birchmount Community Centre • BBNC Program Directors Meeting requirements: A minimum of four meetings per year Mandate: The Operations Committee shall coordinate program planning, day-to-day operations, and plan for special events. Incidents, health and safety concerns, administrative and logistical matters shall be discussed in this committee. The terms of reference for this committee shall be established within year one and approved by the Liaison Committee.

Attachment 2: Leased Premises

The Leased Premises for the Nominal Lease with Birchmount Bluffs Neighbourhood Centre will be the exclusive areas on the ground floor of Birchmount Community Centre (93 Birchmount Rd.), which includes:

- Approximately 475 ft² of office space on the ground floor (“A”)
- Approximately 375 ft² for the BBNC reception on the ground floor (“B”)
- Approximately 760 ft² for the childcare space known as “Kids Korner” on the ground floor (“C”)
- Approximately 855 ft² for the outdoor area directly adjacent to the exterior of Kids Korner, where a fence is to be paid for by BBNC to designate the outdoor childcare space. (“D”)

The approximate areas are denoted by the highlighted areas in this sketch of the ground floor of Birchmount Community Centre:

