

Section I – Items for Board of Directors Action

TO: Chair and Members of the Executive Committee
Friday, June 10, 2022 Meeting

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **PROPOSAL TO AMEND THE LEASE- 360°KIDS SUPPORT SERVICES**
17 Mill Street, City of Markham, Regional Municipality of York, Rouge River
Watershed (CFN 55757)

KEY ISSUE

Amend 360°kids Support Services lease on Toronto and Region Conservation Authority-owned (TRCA) land to renovate the on-property coach house, facilitating an operational expansion to 360°kids youth transition facility located north of Rouge Street and east of Mill Street, municipally known as 17 Mill Street, in the City of Markham, Regional Municipality of York, Rouge River watershed.

RECOMMENDATION:

THE EXECUTIVE COMMITTEE RECOMMENDS THAT WHEREAS TRCA received 360°kids Support Services' request to amend their lease agreement to permit capital improvements to the coach house that is within the leased premises, being those premises located north of Rouge Street, east of Mill Street, municipally known as 17 Mill Street, City of Markham, Regional Municipality of York, Rouge River watershed;

THAT the rent remains a nominal sum of \$12 per annum, and that 360°kids Support Services is solely responsible for organizing, planning and paying for all renovation and capital costs;

THAT the term be amended to include two additional extension periods of five years at TRCA's sole option;

THEREFORE LET IT BE RESOLVED THAT TRCA amend the lease with 360°kids Support Services to extend the term of the lease and to permit capital improvements to the coach house building within the leased area, being land of 0.97 hectares (0.24 acres), more or less; said land being Part of Lot 9, Concession 8, City of Markham, municipally known as 17 Mill Street, City of Markham, Regional Municipality of York;

THAT the lease with 360°kids Support Services is subject to the following terms and conditions:

- (i) that the original ten-year term of the lease is amended to include two additional five-year extensions at TRCA's sole option;**
- (ii) that consideration is \$12 per annum, plus HST;**
- (iii) that 360°kids Support Services is responsible for all planning & approvals required to begin construction and subsequent operation of the youth transition facility;**
- (iv) that 360°kids Support Services is responsible for all capital improvements required to renovate the coach house building;**
- (v) that 360°kids Support Services is responsible for all costs associated with the development and operation of the youth transition facility;**

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- (vi) any other terms and conditions deemed appropriate by TRCA staff and solicitor;

All legal, and other costs associated with the coach house shall be paid for by 360°kids Support Services;

THAT an archaeological review will be completed at the expense of 360°kids Support Services along with any mitigating measures completed to the satisfaction of TRCA;

THAT said lease is subject to the approval of the Ministry of the Environment, Conservation and Parks in accordance with Section 21(2) of the *Conservation Authorities Act*, R.S.O. 1990, Chapter C.27, as amended;

AND FURTHER THAT authorized TRCA officials are directed to take necessary action to finalize the transaction, including obtaining necessary approvals, signing, and executing documents.

BACKGROUND

At Authority meeting #4/16, held on May 27, 2016, Resolution #78 was adopted in part as follows:

“THAT Toronto and Region Conservation Authority (TRCA) enter into a lease arrangement with 360°kids Support Services to operate and manage a youth transition facility located at 17 Mill Street, City of Markham, Regional Municipality of York, Rouge River watershed;

THAT the term of the lease be for 10 years;

THAT consideration be a nominal sum of \$12 per annum along with an initial capital investment of \$120,000 for building restoration;

THAT the final terms and conditions of the agreement be satisfactory to TRCA staff and solicitors....”

On December 22, 2016, TRCA entered into the ten-year lease agreement with 360°kids Support Services to operate and manage a youth transition facility at 17 Mill Street, City of Markham. TRCA's partnership with 360°kids Support Services encourages their staff to provide programs and services to at-risk and homeless youth. In addition to affordable housing, since 1988, 360°kids offer counselling, employment services, community outreach and mentorship services at this and various other locations.

In late 2016, 360°kids invested approximately \$120,000 to renovate the historic 17 Mill Street home into a youth facility. Upon completion, staff implemented the Transitions Program to help York Region's youth live semi-autonomously for up to three years. While subsidizing rent, staff at 360°kids work with youth to progressively increase their independence by helping residents to create long-term goals and plans and seek progressively more rewarding work while incrementally increasing rent. At the completion of the term, residents are encouraged to transition out of the program as productive members of society.

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In its sixth year of the lease, 360°kids recently proposed an additional major improvement to the Mill Street property to renovate the approximately 950 square foot coach house to create additional livable space for York Region's youth.

While the capital contribution to complete this project is sizable, 360°kids Support Services' corporate and community partnerships will provide in-kind consulting, construction, financial and material project support. Local companies will also make educational, training, and employment opportunities available to local youth. Similar to 2016, David Johnston Architect Ltd. will provide design and implementation services ensuring a successful renovation. Estimated total project cost is >\$150,000.

Given that 360°kids Support Services' existing lease is in the sixth of a ten-year term, the two five-year extensions at TRCA's sole option are recommended to ensure the community investment into this project is maximized by York Region's at-risk youth, as well as provide certainty to funders that their lease relationship will continue.

The amended lease requires 360°kids Support Services to continue to assume all responsibility for the lands under lease, which includes but is not limited to all costs pertaining to the renovations, repairs, utilities, operations, and property taxes associated with 17 Mill Street.

Attachment 1 is a site plan of the leased area and **Attachment 2** is an orthophoto of the leased area.

Lease Agreement

The area subject to this lease consists of approximately 0.97 hectares (0.24 acres) of land. The following are the key terms and conditions of the proposed lease amendment:

1. Lease Payment: \$12 per annum, plus HST;
2. Renovation Capital Investment: managed and paid in full by 360°kids Support Services;
3. Amended Term: existing ten-year term expires December 31, 2026, amended to include two 5-year extensions at TRCA's sole option;
4. Insurance: 360°kids Support Services will provide \$5 million in commercial general liability insurance;
5. Expenses: 360°kids Support Services is responsible for all applicable taxes, utilities and costs associated with the development and operation of the youth transition facility;
6. Further Approvals: 360°kids Support Services will comply with any applicable laws, directions, rules, and regulations.

RATIONALE

The proposed amendment to the existing 360°kids Support Services lease agreement expands space available to the Transitions Program at 17 Mill Street and as a result accommodating a greater number of at-risk youths.

The amendment also facilitates capital infusion at this property. The project will enhance the condition of buildings on this property.

Relationship to Building the Living City, the TRCA 2013-2022 Strategic Plan

This report supports the following strategies set forth in the TRCA 2013-2022 Strategic Plan:

Strategy 3 – Rethink greenspace to maximize its value

Strategy 7 – Build partnerships and new business models

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FINANCIAL DETAILS

360°kids Support Services' capital contribution will be used to renovate the coach house building located at 17 Mill Street. All applicable taxes and utilities shall be paid by 360°kids Support Services.

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Date: April 27, 2022

Attachments: 2

Attachment 1: Site Plan – 17 Mill Street, City of Markham

Attachment 2: Orthophoto – 17 Mill Street, City of Markham