

Section I – Items for Board of Directors Action

TO: Chair and Members of the Board of Directors
Meeting #6/20, Friday, September 25, 2020

FROM: Michael Tolensky, Chief Financial and Operating Officer

RE: **CHABAD LUBAVITCH OF AURORA INC. and HER MAJESTY THE QUEEN IN RIGHT OF ONTARIO AS REPRESENTED BY THE MINISTER OF GOVERNMENT AND CONSUMER SERVICES**
Lease Extensions for 12611 Yonge Street, City of Richmond Hill

KEY ISSUE

Request to extend the lease between Toronto and Region Conservation Authority (TRCA) and Her Majesty The Queen in right of Ontario as represented by the Minister of Government and Consumer Services (MGCS) and to extend the sub-lease between TRCA and Chabad Lubavitch of Aurora Inc., (Chabad) for the use of the property located at 12611 Yonge Street, in the City of Richmond Hill, Regional Municipality of York.

RECOMMENDATION

THAT WHEREAS TRCA is in receipt of a request from Chabad Lubavitch of Aurora Inc., (Chabad) to extend the term of the sub-lease dated December 1, 2015, between TRCA and Chabad for an additional 50-year period;

THAT TRCA support the Chabad request to Her Majesty the Queen in Right of Ontario as Represented by the Ministry of Economic Development, Employment and Infrastructure (now Minister of Government and Consumer Services) (the “Province”);

THAT TRCA enter into negotiation with the Province on their head lease to extend the term for an additional 50-year period to allow for TRCA to continue to sub-lease the two-storey building and gravel parking lot to Chabad;

AND FURTHER THAT the staff report back the terms of the negotiation for final approval by the Board.

BACKGROUND

At Authority Meeting #8/15, held on September 25, 2015, Resolution #A169/15 was adopted as follows:

THAT Toronto and Region Conservation Authority (TRCA) enter into a lease agreement with Her Majesty The Queen In Right Of Ontario As Represented By The Minister Of Economic Development, Employment And Infrastructure (MEDEI) to operate and manage the property owned by MEDEI located at 12611 Yonge Street, said land being Part 5 on Reference Plan 64R-4458, improved with a two-storey building and gravel parking lot, containing approximately 0.489 hectares (1.210 acres), in the Town of Richmond Hill, Regional Municipality of York;

THAT the term of the lease agreement be for 10 years;

THAT the consideration be a nominal sum of \$12.00 per annum;

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

THAT the property with the exception of a portion of the parking lot be sub-leased to Chabad Lubavich under the same terms and conditions;

AND FURTHER THAT the authorized TRCA officials be directed to take whatever actions may be required to give effect thereto including obtaining any necessary approvals and signing and execution of documents.

On October 29, 2015 TRCA entered into a 10 year lease agreement with Her Majesty The Queen in Right of Ontario As Represented By The Minister of Economic Development, Employment and Infrastructure ("MEDEI") to operate and manage the property owned by MEDEI located at 12611 Yonge Street, Richmond Hill, Regional Municipality of York (the "Property"). The Property contains a two-storey building and gravel parking lot, containing approximately 0.489 hectares (1.210 acres), and is surrounded by lands managed by TRCA.

TRCA entered into a sub-lease with Chabad on December 1, 2015 under the same terms and conditions of the net lease between TRCA and MEDEI. The terms of the lease included mandatory building improvements.

Chabad has branches across Southern Ontario, offering the community with both educational and social services. Chabad helps individuals and families with their spiritual needs and hosts numerous humanitarian programs. In accordance with the sub-lease Chabad is responsible for all operating costs such as capital upgrades, proportionate property taxes, utilities and servicing. Chabad undertook the required major renovations to the main floor of the building. As more have come to rely on the help of Chabad, Chabad is hoping to secure a longer-term lease for the site.

In return for a longer-term sub-lease, Chabad will continue to be responsible for all costs associated with the operation of the facility and the longer-term security will allow Chabad to undertake the much-needed additional leasehold improvements to the two-storey building and grounds. The longer-term lease will keep the building available for community use and provide security for the building and site.

The current lease and sub-lease are due to expire October 31, 2025.

In order for TRCA to consider the extension of the sub-lease with Chabad, TRCA will need to undertake discussions with the Ministry of Government and Consumer Services (MGCS) for extending the lease for a further 50-year period. The final decision on whether to extend the lease rests with the Province.

Attachment 1 is a sketch illustrating the location of the subject lands. Attachment 2 is an orthophoto illustrating the location of the subject lands. Attachment 3 is a formal request Chabad sent to Infrastructure Ontario for a lease extension.

RATIONALE

Renewing both the main lease and sub-lease for the lands located at 12611 Yonge Street will allow for the continued development and operation of a local community facility. A presence on the site will assist with site security as this area around Bond Lake has become a very popular location for the local residents.

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Chabad will continue to provide a much-needed community support as more families, businesses and individuals are continuing to rely on their help.

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

This report supports the following strategy 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

FINANCIAL DETAILS

TRCA will not bear any costs associated with this lease. All costs will be the responsibility of Chabad in accordance with the terms and conditions of the sub-lease.

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Date: September 2, 2020

Attachments: 3

Attachment 1: Sketch of the subject lands

Attachment 2: Orthophoto of the subject lands

Attachment 3: Formal request from Chabad to Infrastructure Ontario