

June 2018

## ESTONIAN CENTRE PROJECT UPDATE

### **We Have a Project!**

The new Estonian community centre is one major step closer to becoming a reality. The initial phase of the due diligence period is now complete.

What began as a glimmer of an idea many years ago can now move toward the tangible. As a matter of process, each Board of Directors of all four Estonian organizations leading the project and providing financial support had to vote in favour of accepting and closing the due diligence phase and proceeding to the project phase. The Estonian House Ltd., Estonian Credit Union, Estonian Foundation of Canada, and Tartu College Boards all voted to proceed with the project. All four organizations believe that the risks are acceptable, sustainable operations are possible, and funding is achievable. We have a project.

Important milestones have been reached and much has been accomplished. Along with the end of due diligence, the 9 Madison Avenue purchase is underway with Toronto City Council approving the 9 Madison purchase, the local Annex community is supportive, an ideal buyer has been identified for the sale of the Broadview properties and conditions on the sale of the Broadview properties have been waived by the vendors and the purchasers.

In addition, the design of the centre is advancing with City planners and community input, and a decision was made to build the entire centre to completion and not in two phases as was originally discussed. The commitment to one move from the Estonian House to the new Centre remains the goal - and is expected to be achievable – so as to provide the least disruption possible for our community. It has not been easy to get this far and we know that challenges still lie ahead.

By creating the Estonian Centre Project Steering Committee, the four community organizations have established a viable structure for reviewing design, tax and legal implications; handling the purchase of 9 and 11 Madison and the sale of the Broadview properties, providing oversight and funding, and hiring the Project Managers, accountant, and other qualified consultants.

A strong and qualified team has been created by the four organizations despite their differences in mandate and structure. This collaboration has shown that once we Estonians establish a common goal and a common cause, we can work out our differences and move forward with remarkable achievements.

Many people have been involved along the way. This includes those who envisioned the initial concept, determined whether to move forward and how to best do this and identified opportunities to purchase strategic real estate that became so important to the project.

We are grateful to everyone who dared to dream large, who identified the opportunity, who asked relevant questions, and who engaged in productive and civil discussions to better help understand concerns and issues.

We must get this right. The community expects this and demands it.

And now we need to harness the extraordinary power of our entire community to ensure success.

### **Getting it right: A viable, sustainable future**

The new signature building designed by celebrated architect Alar Kongats will consolidate the Southern Ontario community into a central hub. But this project seeks not only to resolve issues around the sustainability of the Estonian House, but also to enliven our Estonian presence in Canada and bring excitement to our community. Located in a prime location in downtown Toronto on Madison Avenue, the new centre will be next to Tartu College, an existing community hub. Alar Kongats' design captures a clean Nordic design aesthetic very much in keeping with some of Estonia's modern architecture.

Glass, metal and wood will figure prominently in the building's materials, and the natural world will be integrated through a rooftop garden space, a ground-level park and expansive windows that overlook the historic Annex neighborhood. And on the inside, the centre will reflect the digital e-Estonia and feature the latest technologies.

The due diligence phase of the project involved exploring all aspects of the centre's construction; funding, legal and tax structure; design, and long-term operations to achieve a viable, well-funded and professionally operated centre.

The goal for the new centre is to operate with sufficient income from commercial leases, an event business, and endowments. Professionals will be engaged to manage the centre and its tenants while separate professionals will manage the event business. A Capital Campaign expert has already been hired.

The new centre will make space available to Estonian community organizations as its first priority. The objective is to permit low cost or possibly even free use of space for Estonian community organizations and end the need for other Estonian organizations and charities to provide them with rental support.

Another round of community consultations with architect Alar Kongats and the project team will be arranged to discuss space and needs in the new centre. Interviews have already been conducted with over 40 user groups ranging from the Estonian school teachers and parents to guide/scout leaders, choirs, arts groups and folk dancers. A “Statement of Requirements” is being created, including input from the community, which will be incorporated into the final design of the centre. While it may not be possible to accommodate every need, the input has been extremely valuable and participants have worked together to find common solutions.

The four organizations agreed that the Estonian House will be the owner and operator of the new centre through two new wholly owned legal entities that will be created to maximize tax efficiency and permit tax receipts to be provided for Capital Campaign donations. Legal advice on many of these issues has been and will continue to be extensively explored. The operating costs of the new centre will also be minimized by obtaining charitable status rebates to help offset expenses from taxes, which are a significant portion of the operating costs.

The vote to proceed to the project phase also hinged on the sale of Estonian House, part of the Broadview land assembly, as the proceeds of the property will provide the bulk of the funds to build the new centre. The Broadview properties include the sale of the three Estonian Foundation of Canada properties adjacent to the Estonian House, which together provided a developable parcel for the purchaser.

The Broadview properties have been sold conditionally to Revera, a major Canadian senior care provider. Revera is a wholly owned subsidiary of the Public Sector Pension Investment Board. The final condition of sale rests on Revera being able to secure a base level of rezoning from the City of Toronto with the potential to achieve greater density, which will enable them to build their senior care facility on Broadview. The

Estonian Centre project team is also involved in this process as increased density would translate into a higher purchase price for the Estonian community. This is expected to take from one to two years, depending on whether a zoning appeal to the Province (Ontario Municipal Board) will be required to maximize rezoning.

The project schedule has been laid out so that the construction period will last about 15 months, during which time the Estonian community will lease 958 Broadview Avenue and community activities will continue uninterrupted.

A qualified contractor will be chosen to construct the Estonian Centre via a tendered bid process resulting in a lump sum contract.

The new centre really represents two projects in one, with the undertakings in the two separate locations running in tandem. Even though the initial phase is now behind us, there is still much to do before construction can begin.

### **Capital Campaign and international interest**

A Capital Campaign feasibility study was carried out by professional fund-raising consultant Mark Gryfe of Gryfe Philanthropic Solutions. Mark, who is former President and CEO of the Baycrest and Mt. Sinai Hospital Foundations, is highly experienced in this field. His findings showed strong support for the Estonian Centre among the members of the Estonian community not only locally, but nationally and internationally as well.

Mark has been hired to work on the Capital Campaign and organize a process for donations to the centre. These campaigns generally last several years and donors often manage their giving so that they span a number of years. A lead donor has already stepped forward and major donors have as well.

The positive reception to the new centre from outside of the Southern Ontario area leads us to believe that we can and should push toward an even more ambitious result that goes beyond consolidation and embrace an international presence as well. Other potential donors have also been inspired by the centre's prime location, easy access to both Estonia and the rest of North America, the stunning architecture, and the very active local Toronto Estonian community as its base.

In addition to our community organizations and activities, the new centre could present many new opportunities. There has been quite a bit of interest, for example in creating

space in the centre to house a business accelerator or incubator that helps start-up companies grow. This attracts local, national and international attention. These new opportunities are part of a strategy to will attract many people back to the community and hopefully ensure that the next generations of Estonians will carry forward the legacy that began with our parents' and grandparents' pride and perseverance.

### **Next community meeting June 21**

Please join us on June 21 at 7 p.m. for an Estonian Centre Project community information session at Tartu College for further details and next steps. (The Estonian House was not available for the meeting due to the repair schedule underway.)

### **Reflections from the four organizations**

The heads of the four organizations involved in steering this project summarize their thoughts on this historic and important step for the Estonian community:

"I'm 29 and as a younger member of the community, I am excited by what I see as rejuvenation and by the real potential to do something that no other North American Estonian community has done – build a new home for the next 50 years. Moving away from the Estonian House is painful because of the many days of my life I have spent in that building – and I know many others have as well. But we all know the serious issues the house has and they were not getting any better.

I am impressed by the collective subject matter expertise and volunteer dedication on our team, and the Estonian House Board would not have voted for this project if we did not have faith in all of these organizations working together in lockstep. But we are only at step one. This project will only be successful if we can truly harness the full power of the community – including those who are more active, less active, or even people living outside of Toronto who want to be part of something special."

- ***Veiko Parming, Chair of the Board, Estonian House***

"Perhaps what I'm most impressed with by this project is the community momentum behind it: the four key organizations that provide the facilities and resources for the majority of Estonian cultural activities have developed a sustainable solution to address our community consolidation and facilities concerns. These efforts have been overwhelmingly supported by our community every step of the way.

It has taken years to get here, but our community's vision to leverage our assets in a forward-looking and ambitious direction is something about which we can all be proud."

- ***Ellen Valter, Chair of the Board, Estonian Credit Union***

"I appreciate that this process has caused some disruption in our community. But I believe this kind of disruption can enable positive changes in how our community operates moving forward. We are no longer a community of immigrants and refugees. While we must always be grateful to our older generations - those who created community organizations and institutions during very difficult times - we must also look to the fact that they succeeded in their efforts by working together. We can also succeed.

I am optimistic because we acted collectively. In doing so, we were able to seize this rare opportunity to create a modern, sustainable and innovative centre in order to consolidate and grow our community."

- ***Eva Varangu, President, Estonian Foundation of Canada***

"There are still challenges ahead of us, however I am optimistic about a successful project because of the exceptional team that is overseeing this project. The result will be a central hub in the city - an "*Eesti küla*" (an Estonian village) in downtown Toronto. Collectively the new Centre and Tartu College will provide an efficient and central location to house our community's events, organizations and accomplishments for decades to come.

And we at Tartu College look forward to welcoming our new neighbours to Madison Avenue. The 'soolaleib' will be waiting!"

- ***Jaan Meri, President, Tartu College***

For more information, please go to [www.estoniancentre.ca](http://www.estoniancentre.ca). Email is [info@estoniancentre.ca](mailto:info@estoniancentre.ca)