

## Designation of the Properties Used by Shelter, Support and Housing Administration as Municipal Capital Facilities

Date: November 10, 2021

To: General Government and Licensing Committee

From: Controller

Wards: Ward 4 – Parkdale-High Park, Ward 7 - Humber River-Black Creek, Ward 10 – Spadina-Fort York, Ward 13 - Toronto Centre, Ward 23 – Scarborough North

### SUMMARY

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This report seeks Council's authority for the adoption of the necessary By-laws to designate portions of nine properties leased to the City of Toronto for use as temporary shelters as Municipal Capital Facilities and to provide exemptions for municipal taxes and education taxes. The municipal capital facility agreements authorized by the By-laws will provide exemptions for approximately 632,866 square feet of combined space. The nine properties and their respective square footage are provided in Table 1 below.

Table 1: Square Footage of Properties Used as Temporary Shelters

Property Address	Ward	Square Footage
14 Roncesvalles	4	16,000
30 Norfinch Drive	7	86,154
60 York Street	10	77,160
45 The Esplanade	10	167,749
92 Peter Street	10	85,456
65 Dundas Street East	13	97,507
56 Yonge Street	13	27,360
335 Jarvis Street	13	18,000
20 Milner Business Court	23	57,480
<b>Total</b>		<b>632,866</b>

### RECOMMENDATIONS

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The Controller recommends that:

Properties Used by SSHA – MCF Designation

1. City Council pass a By-law pursuant to Section 252 of the City of Toronto Act, 2006, providing authority to:

a. enter into Municipal Capital Facility Agreements with the landlords of each of the nine properties with whom Corporate Real Estate Management has a lease or license on behalf of Shelter, Support and Housing Administration (each a "Leased Premises"), with respect to approximately 632,866 square feet of combined space and ancillary parking, if any, for the purposes of providing municipal capital facilities related to the provision of facilities used for social and health services, located at:

- 14 Roncesvalles (Ward 4)
- 30 Norfinch Drive (Ward 7)
- 60 York Street (Ward 10)
- 45 The Esplanade (Ward 10)
- 92 Peter Street (Ward 10)
- 65 Dundas Street East (Ward 13)
- 56 Yonge Street (Ward 13)
- 335 Jarvis Street (Ward 13); and
- 20 Milner Business Court (Ward 23)

b. exempt each Leased Premises from taxation for municipal and school purposes, with the tax exemption being effective from the latest of: (1) the commencement date of the Lease or Licence, (2) the date the Municipal Capital Facility Agreement is entered into, and (3) the date the Tax Exemption By-law is enacted.

2. City Council direct the City Clerk to give written notice of the By-law to the Minister of Finance, the Municipal Property Assessment Corporation, the Toronto District School Board, the Toronto Catholic District School Board, le Conseil scolaire Viamonde, and le Conseil scolaire catholique MonAvenir.

## **FINANCIAL IMPACT**

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The annual property taxes on the 632,866 square feet of combined space (currently taxable) leased or licensed by the City of Toronto and used as temporary shelters are estimated at approximately \$3,329,593 comprised of a municipal portion of \$1,900,509 and a provincial education portion of \$1,429,084, based on 2021 Current Value Assessment (CVA) and 2021 tax rates.

As shown in Table 2 below, providing property tax exemptions for the 632,866 square feet of combined space at 14 Roncesvalles, 30 Norfinch Drive, 60 York Street, 45 The Esplanade, 92 Peter Street, 65 Dundas Street East, 56 Yonge Street, 335 Jarvis Street, and 20 Milner Business Court would result in a net annual reduction in property tax revenue to the City of approximately \$1,900,509, representing the municipal portion of taxes that is currently payable that will no longer be collected once the Leased Premises are designated as Municipal Capital Facilities. The provincial education portion of property taxes of \$1,429,084 will no longer be required to be remitted to the Province once the exemptions for the Leased Premises takes effect.

Table 2: Financial Implication of Property Tax Exemption – Temporary Shelters

Location	Municipal Taxes	Education Taxes	Total Property Taxes
14 Roncesvalles Avenue 1904-02-2-020-02900	\$29,895	\$22,480	\$52,375
30 Norfinch Drive 1908-01-3-290-10000	\$138,981	\$104,506	\$243,487
60 York Street 1904-06-1-170-00500	\$374,205	\$281,383	\$655,588
45 The Esplanade 1904-06-4-090-00080	\$391,320	\$294,252	\$685,572
92 Peter Street 1904-06-2-320-00400	\$323,221	\$243,045	\$566,266
65 Dundas Street East 1904-06-6-250-00200	\$420,340	\$316,074	\$736,414
56 Yonge Street 1904-06-1-240-01100	\$78,575	\$59,085	\$137,660
335 Jarvis Street 1904-06-6-370-01700	\$63,189	\$47,514	\$110,703
20 Milner Business Court 1901-12-2-010-00200	\$80,783	\$60,745	\$141,528
Total Amounts Payable if Taxable (Annual)	\$1,900,509	\$1,429,084	\$3,329,593
Total Amounts Payable if Exempt	\$0	\$0	\$0
Reduction in Municipal Tax Revenues			\$1,900,509
Reduction in Education Taxes Remitted			\$1,429,084

As the City currently funds Shelter, Support and Housing Administration the cost of rent (which includes property taxes) on any leased space through an annual budget allocation, there is no net impact on the municipal portion of taxes from the Municipal Capital Facility exemptions, as the decrease in municipal tax revenue is offset by a corresponding reduction in the annual budgetary requirement for SSHA. The savings resulting from the designations as a Municipal Capital Facilities for the locations identified in Table 1 above has been accounted for and included in the 2021 Operating Budget for SSHA.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the financial implications as identified in the Financial Impact Section.

## DECISION HISTORY

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A Delegated Approval Form, dated April 17, 2020, approved a three month sub-licensing agreement between the City and Capital Safari Lodging Inc. for 16,000 square

feet of space to be used as a temporary shelter at 14 Roncesvalles in Ward 4 – Parkdale-High Park. A copy of this form can be accessed at:

[Delegated Approval Form \(2020-107\) – 14 Roncesvalles](#)

A Delegated Approval Form, dated August 28, 2020, approved an amendment to the sub-licensing agreement for a term of nine months and twelve days between the City and Capital Safari Lodging Inc. for 16,000 square feet of space to be used as a temporary shelter at 14 Roncesvalles in Ward 4 – Parkdale-High Park. A copy of this form can be accessed at:

[Delegated Approval Form \(2020-228\) – 14 Roncesvalles](#)

A Delegated Approval Form, dated April 15, 2021, approved an extension for an additional eight month sub-licensing agreement between the City and Capital Safari Lodging Inc. for 16,000 square feet of space to be used as a temporary shelter at 14 Roncesvalles in Ward 4 – Parkdale-High Park. A copy of this form can be accessed at:

[Delegated Approval Form \(2021-119\) – 14 Roncesvalles](#)

A Delegated Approval Form, dated May 15, 2020, approved an eleven month licensing agreement between the City and 2683510 Ontario Inc. for 86,154 square feet of space to be used as a temporary shelter at 30 Norfinch Drive in Ward 7 – Humber River-Black Creek. A copy of this form can be accessed at:

[Delegated Approval Form \(2020-126\) - 30 Norfinch Drive](#)

A Delegated Approval Form, dated April 7, 2021, approved an extension for an additional five month and fourteen day licensing agreement between the City and 2683510 Ontario Inc. for 86,154 square feet of space to be used as a temporary shelter at 30 Norfinch Drive in Ward 7 – Humber River-Black Creek. A copy of this form can be accessed at:

[Delegated Approval Form \(2021-110\) - 30 Norfinch Drive](#)

A Delegated Approval Form, dated April 9, 2020, approved a three month lease agreement between the City and 1310866 Ontario Limited – Strathcona Hotel for 77,160 square feet of space to be used as a temporary shelter at 60 York Street in Ward 10 – Spadina-Fort York. A copy of this form can be accessed at:

[Delegated Approval Form \(2020-104\) - 60 York Street](#)

A Delegated Approval Form, dated September 15, 2020, approved an extension for an additional six months and twenty-two days lease agreement between the City and 1310866 Ontario Limited – Strathcona Hotel for 77,160 square feet of space to be used as a temporary shelter at 60 York Street in Ward 10 – Spadina-Fort York. A copy of this form can be accessed at:

[Delegated Approval Form \(2020-243\) - 60 York Street](#)

A Delegated Approval Form, dated January 27, 2021, approved a ten month and thirteen days lease agreement between the City and Silver Hotels (Vancouver) Ltd. for 167,749 square feet of space to be used as a temporary shelter at 45 The Esplanade in Ward 10 – Spadina-Fort York. A copy of this form can be accessed at:

[Delegated Approval Form \(2021-045\) - 45 The Esplanade](#)

A Delegated Form, dated April 13, 2021, approved an eight month lease agreement with 92 Peter Street Inc. for 144,800 square feet of space to be used as a temporary shelter at 92 Peter Street in Ward 10 – Spadina-Fort York. A copy of this form can be accessed at:

[Delegated Approval Form \(2021-117\) – 92 Peter Street](#)

A Delegated Approval Form, dated April 26, 2020, approved a three month lease agreement between the City and Silver Hotel (Bond Place) Inc. for 97,507 square feet of space to be used as a temporary shelter at 65 Dundas Street East in Ward 13 – Toronto-Centre. A copy of this form can be accessed at:

[Delegated Approval Form \(2020-112\) - 65 Dundas Street East](#)

A Delegated Approval Form, dated August 13, 2020, approved an extension for an additional seven month and two days lease agreement between the City and Silver Hotel (Bond Place) Inc. for 97,507 square feet of space to be used as a temporary shelter at 65 Dundas Street East in Ward 13 – Toronto-Centre. A copy of this form can be accessed at:

[Delegated Approval Form \(2020-222\) - 65 Dundas Street East](#)

A Delegated Approval Form, dated May 29, 2020, approved a three month sublicensing agreement between the City and Silver (Hotel Victoria) Inc. for 27,360 square feet of space to be used as a temporary shelter at 56 Yonge Street in Ward 13 – Toronto-Centre. A copy of this form can be accessed at:

[Delegated Approval Plan \(2020-129\) - 56 Yonge Street](#)

A Delegated Approval Form, dated September 16, 2020, approved an extension for an additional seven month sublicensing agreement between the City and Silver (Hotel Victoria) Inc. for 27,360 square feet of space to be used as a temporary shelter at 56 Yonge Street in Ward 13 – Toronto-Centre. A copy of this form can be accessed at:

[Delegated Approval Form \(2020-244\) - 56 Yonge Street](#)

A Delegated Approval Form, dated April 18, 2020, approved a licensing agreement for three months between the City and Silver (Hotel Victoria) Inc. for 18,000 square feet of space to be used as a temporary shelter at 335 Jarvis Street in Ward 13 – Toronto-Centre. A copy of this form can be accessed at:

[Delegated Approval Form \(2020-108\) – 335 Jarvis Street](#)

A Delegated Approval Form, dated August 28, 2020, approved an extension of the licensing agreement for nine months and three days between the City and Silver (Hotel Victoria) Inc. for 18,000 square feet of space to be used as a temporary shelter at 335 Jarvis Street in Ward 13 – Toronto-Centre. A copy of this form can be accessed at:

[Delegated Approval Form \(2020-230\) – 335 Jarvis Street](#)

A Delegated Approval Form, dated April 15, 2021, approved an extension of the licensing agreement for eight months between the City and Silver (Hotel Victoria) Inc. for 18,000 square feet of space to be used as a temporary shelter at 335 Jarvis Street in Ward 13 – Toronto-Centre. A copy of this form can be accessed at:

[Delegated Approval Form \(2021-120\) – 335 Jarvis Street](#)

A Delegated Approval Form, dated April 7, 2021, approved a seven month and twenty-two day lease agreement between the City and 2179596 Ontario Inc. for 57,480 square feet of space to be used as a temporary shelter at 20 Milner Business Court in Ward 23 – Scarborough North. A copy of this form can be accessed at: [Delegated Approval Form \(2021-107\) – 20 Milner Business Court](#)

## COMMENTS

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Shelter, Support and Housing Administration are approved to activate temporary hotel units in the City to support the unprecedented demand for shelter and respite services for its residents as a result of the COVID-19 pandemic. The number of units for each property is provided in Table 3. These properties were selected as suitable locations to meet the service needs required to support the City's response efforts to the COVID-19 pandemic. The properties are being used for the purposes of a temporary shelter, including but not limited to, meeting the needs of physical distancing obligations, isolation and/or recovery of the clients of the City, or such other shelter needs of the City.

Table 3: Number of Units Used as Temporary Shelter Spaces

Property Address	Number of Units
14 Roncesvalles	43
30 Norfinch Drive	163
60 York Street	194
45 The Esplanade	205 - 254
92 Peter Street	144
65 Dundas Street East	200 - 285
56 Yonge Street	56
335 Jarvis Street	50
20 Milner Business Court	100 - 129
<b>Total</b>	<b>1,155 – 1,318</b>

With respect to the lease agreements for 45 The Esplanade, 65 Dundas Street East and 20 Milner Business Court, the City has agreed to rent a minimum of 205, 200 and 100 rooms respectively with the option to increase the number of rooms as required up to the maximums outlined in table 3 above. The City has the exclusive right to rent the additional rooms with seven days prior written notice to the Landlord. The hotels agree to keep the additional rooms available for City use and will not rent, license or otherwise grant the use of the additional rooms to any other party during the term.

## Legislation Regarding Municipal Capital Facilities

Section 252 of the City of Toronto Act, 2006 allows the City to enter into agreements with any person for the provision of municipal capital facilities, and allows City Council

to exempt from taxation for municipal and school purposes, land or a portion of land, on which municipal capital facilities are or will be located.

Properties "owned and occupied" by a municipality or local board are exempt from taxation pursuant to section 3 of the Assessment Act. However, where a municipality or local board leases property that would normally be subject to taxation, this exemption does not apply. The spaces occupied by Shelter, Support and Housing Administration at 14 Roncesvalles, 30 Norfinch Drive, 60 York Street, 45 The Esplanade, 92 Peter Street, 65 Dundas Street East, 56 Yonge Street, 335 Jarvis Street, and 20 Milner Business Court are normally subject to taxation at commercial rates. Designating the properties leased and licensed by Shelter, Support and Housing Administration as municipal capital facilities and providing an exemption from taxes will reduce the monthly rental amount paid by Shelter, Support and Housing Administration.

The property tax exemptions on the spaces leased and licensed by Shelter, Support and Housing Administration used as temporary shelters will only apply if City Council agrees to provide the tax exemptions, by way of municipal capital facility agreements under Section 252 of the City of Toronto Act, 2006. Ontario Regulation 598/06 prescribes facilities used for the provision of social and health services as eligible municipal capital facilities for the purpose of Section 252.

Upon the passing of the by-law, the City Clerk must give written notice of the by-law to the Minister of Finance. For the tax exemption, the City Clerk must also provide written notice of the contents of the by-law to the Municipal Property Assessment Corporation and the Secretary of any affected school board(s).

## CONTACT

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## SIGNATURE

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Andrew Flynn  
Controller