

## **Annual Report on City Loans and Loan Guarantees**

**Date:** June 30, 2025

**To:** Executive Committee

**From:** Chief Financial Officer and Treasurer

**Wards:** All

### **SUMMARY**

---

This report provides annual update reporting on the existing portfolio of City direct loans, capital loan and line of credit guarantees. The portfolio of loans included in this report is separate and apart from other internal City loan programs (e.g., Home Ownership Assistance Program, Sustainable Energy Plan Financing Program) which are covered under other City policies.

As at December 31, 2024, the City had authorized line of credit guarantees amounting to approximately \$5.995 million, capital loan guarantees for underlying loans of \$67.5 million, outstanding direct loan balances of \$42.5 million, and one direct line of credit with a balance of \$800,000.

This report recommends a one-year term extension (to 2026) for an outstanding, interest-only capital loan of \$4.048 million to Lakeshore Arena Corporation (LAC). During the extended timeline, City and LAC staff will work to develop the details of a loan refinancing arrangement to allow for the repayment of both interest and principal to the City. Staff will report back to Council with recommended refinancing details.

### **RECOMMENDATIONS**

---

The Chief Financial Officer and Treasurer recommends that:

1. City Council approve the renewal of the outstanding interest-only capital loan issued by the City to the Lakeshore Arena Corporation in the amount of \$4,047,660, for a one-year period commencing on November 1, 2025, and ending October 31, 2026.

## FINANCIAL IMPACT

---

Both loans and loan guarantees are financial commitments made by the City. Depending on the magnitude, either may have potential impacts on the City's credit rating, and on the City's own borrowing capacity.

For loans, the risk is that of potential non-repayment. For loan guarantees, there is also a risk of non-payment, whereby if a supported entity were to default on its debt obligations that are supported by a City guarantee, the City would be required to pay all, or a portion of the loan guarantee amount to the third-party lender.

Should the City be required to pay out a loan guarantee to a third-party lender, the City would seek to recover those funds from the supported entity, in the form of a loan. However, the City's ability to do so may be affected by the solvency of the entity, the security that the City may have taken, and its ranking as secured creditor.

As at December 31, 2024, the City had authorized line of credit guarantees amounting to approximately \$5.995 million, provided capital loan guarantees for underlying loans of \$67.5 million, had outstanding direct loans of \$42.5 million, and provided a direct line of credit of \$800,000 million as are identified below.

**Table 1: City Loans and Loan Guarantees as at December 31, 2024**

	Number	Balance Outstanding (000's)	Total Amount Authorized (000's)
Line of Credit Guarantees	3	Balances fluctuate	\$5,995
Capital Loan Guarantees	5	\$67,453	\$84,460
Direct City Loans	5	\$42,496	\$67,769
Line of Credit	1	\$800	\$1,000
<b>Total as at December 31, 2024</b>	<b>14</b>		<b>\$159,224</b>

An outstanding interest-only City loan in the amount of \$4,047,660 to the Lakeshore Arena Corporation (LAC), set to expire in October of 2025, is being recommended for renewal for a one-year term. During the extended timeline, City and LAC staff will work on a loan refinancing arrangement to allow for repayment of both interest and principal to the City over an amended loan term. Staff will report back to Council with the recommended refinancing details.

## DECISION HISTORY

---

### *Loan and Loan Guarantee Policy History*

A policy for Capital Loan and Line of Credit Guarantees for cultural and community organizations was first approved by City Council in March 2001.

[www.toronto.ca/legdocs/2001/agendas/council/cc010306/pof2rpt/cl003.pdf](http://www.toronto.ca/legdocs/2001/agendas/council/cc010306/pof2rpt/cl003.pdf)

This policy was subsequently updated in February 2008, adding eligibility and other criteria.

<https://secure.toronto.ca/council/agenda-item.do?item=2008.EX17.3>

At its meeting of July 12, 2011, Council approved a policy to guide consideration to requests for direct capital loans from City agencies and corporations, where the project/partnership might offer a benefit to the City.

<https://secure.toronto.ca/council/agenda-item.do?item=2011.EX7.7>

In April 2013, City Council adopted a revised framework for City loans and loan guarantees in order to address recommendations made by the City's Internal Audit group (September 2010) to strengthen program oversight and controls.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.EX31.14>

In the 2014 Annual Report on the City's loan and loan guarantee portfolio, additional criteria were added in relation to capital fundraising plans to repay loans.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX41.10>

Finally, at its meeting of October 9, 2024, Council adopted amended City Direct Capital Loan, and Loan Guarantee Policies, replacing any previously applicable policies.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX17.15>

### *Annual reporting on City loans and loan guarantees include:*

2016

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX14.11>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.14>

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX20.16>

2017

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX24.12>

2018

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.EX33.12>

2019

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX4.7>

2020

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.EX15.9>

2021

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.EX25.7>

2022

[Agenda Item History - 2022.EX34.17](#)

2023

[Agenda Item History - 2023.EX4.5](#)

2024

[Agenda Item History - 2024.EX17.15](#)

#### *YMCA Facility at 505 Richmond Street West:*

##### *1. July 12, 2016*

<https://secure.toronto.ca/council/agenda-item.do?item=2016.EX16.14>

Council approved financial participation in the construction of a YMCA facility at 505 Richmond Street West. Assistance was comprised of a financial contribution of up to \$19 million for capital construction, along an additional contribution to pay 2/3 of the interest cost of a Construction Loan. Funding for these amounts was to be secured through the application of Section 37 and Section 45 funds from Ward 20. In addition, Council approved capital loan guarantee support of up to \$30 million, which was to be replaced by a smaller, \$9.5 million capital loan guarantee upon refinancing at project substantial completion.

##### *2. April 6, 2022*

<https://secure.toronto.ca/council/agenda-item.do?item=2022.MM42.22>

Council authorized the release of \$21 million in Section 37 and Section 45 funds within the King Spadina Secondary Plan Area to meet these obligations

### *The Corporation of Massey Hall and Roy Thomson Hall*

At its meeting of April 6, 2022, Council approved, on an exceptional basis, a request for a loan guarantee to be provided in support of the Corporation of Massey Hall and Roy Thomson Hall in order to support capital financing arrangements to complete the revitalization of the Massey Hall property at 178 Victoria Street, for an amount of up to \$3.0 million, plus potential enforcement costs of up to \$50,000.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.MM42.37>

### *Toronto Artscape*

At its meeting of July 19, 2023, Council approved the provision of a Line of Credit Guarantee to Toronto Artscape Inc, in support of a line of credit extension of up to \$1.5 million. This guarantee would expire the earlier of the completion of Toronto Artscape Inc.'s proposed sale of property, or October 31, 2023. (This never proceeded due to financial difficulties experienced by Artscape.)

<https://secure.toronto.ca/council/agenda-item.do?item=2023.EX6.27>

### *May 13, 2025: Leaside Memorial Community Gardens*

<https://secure.toronto.ca/council/agenda-item.do?item=2025.EX23.8>

In May 2025, Council amended the terms of a City capital loan agreement for this entity to remove the requirement to add annual Leaside operating deficits to the principal balance of the City loan, and to ensure that loan prepayments employing excess revenues do not result in Leaside entering into a deficit position.

### *Lakeshore Arena Corporation (LAC)- Financing Reports:*

2015

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX5.14>

This report directed the development of a refinancing plan for LAC.

A subsequent November 2015 report provided a financing plan for LAC, including a loan, a capital loan guarantee, and debt forgiveness.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX9.10>

At its meeting of July 19, 2022, Council authorized an extension, to October 2025, of a direct City loan to LAC of \$4.048 million.

<https://secure.toronto.ca/council/agenda-item.do?item=2022.EX34.17>

At its meeting of October 9, 2024, Council amended the repayment formula for the LAC Shareholder Capital Contribution, in a manner that addresses its cash flow challenges, while allowing for its continued repayments. The amended repayment formula requires LAC make an annual repayment equal to 65% of net revenues in excess of expenses (i.e., net income) before amortization and depreciation and after debt principal repayments.

<https://secure.toronto.ca/council/agenda-item.do?item=2024.EX17.15>

## COMMENTS

---

The City, from time to time, provides various direct capital loans and loan guarantees to eligible entities.

### *Loans*

A loan is a form of debt whereby a lender advances a sum of money to a borrower. The lender and borrower agree to legal terms and conditions set out in a loan agreement, including responsibilities of the borrower with regards to repayment of the loan amounts and a repayment schedule, corresponding interest rates, collateral, and default conditions and remedies. Under City policy, requests for direct capital loans may be considered from City Agencies and City Corporations, for the purpose of financing of an underlying capital project and may not be used to fund operations nor to support operating deficits.

### *Loan Guarantees*

A loan guarantee is a financial commitment made by a guarantor to a third-party lender, in support of a loan made by that lender to a borrower. The amount guaranteed may be a portion of the loan or the entire loan amount. In the event of non-repayment by the borrower, the guarantor (the City in this case) becomes legally obligated to pay all or a portion of the guarantee amount to the lender.

Under City policy, entities that are eligible for loan guarantees must have an existing financial relationship with the City, meaning that they are recipients of operating grants or other subsidies and/or that the entity's annual budget must be provided to Toronto City Council for its consideration and approval. Furthermore, all financial guarantees must be deemed to be in the best interests of the City and local communities.

## 1. Line of Credit Guarantees

Under City policy, entities eligible for line of credit guarantees are non-profit local community and cultural entities. The maximum total amount for City line of credit guarantees is limited to \$10 million. The number and value of line of credit guarantees remains unchanged from December 31, 2023. As at December 31, 2024, there were three (3) line of credit guarantees totaling approximately \$6.0 million, with the details provided below.

**Table 2 - Line of Credit Guarantees**

Most Recent Date Approved	Name of Entity	Relationship to City	Amount Authorized (000's)	Expiry Date	Responsible Program Area	Loan Status Dec 31/24	Security
May 2023	Young People's Theatre	Registered Charity	\$175	December 2026	Economic Development & Culture	In Good Standing	City Grants (via Toronto Arts Council, or TAC)
May 2023	Canadian Stage	Registered Charity	\$820	October 2026	Economic Development & Culture	In Good Standing	City Grants (via TAC)
Oct 2024	Toronto Symphony Orchestra	Registered Charity	\$5,000	October 2027	Economic Development & Culture	In Good Standing	City Grants (via TAC)
<b>Total as at December 31, 2024</b>			<b>5,995</b>				
<b>Total as at December 31, 2023</b>			<b>\$5,995</b>				
<b>Aggregate Limit</b>			<b>\$10,000</b>				

### Young People's Theatre

Young People's Theatre is the only large-scale theatre in Ontario dedicated to producing and presenting shows specifically for young people. More than 85,000 people attend Young People's Theatre theatrical productions and educational programs annually. Young People's Theatre operates out of two locations: a City Below-Market-Rent facility at 165 Front Street; and a Young People's Theatre-owned commercial portion of a condo property at 161 Frederick, where the theatre operates out of the basement, main floor, and 2nd floor.

Young People's Theatre has had a City line of credit guarantee since the early 1990's. The amount of the City guarantee has fluctuated over time, dependent on YPT's needs. Young People's Theatre has had a successful history of meeting its financial obligations to its lending financial institution and the City under the existing terms and conditions of the guarantee agreement.

Of note, YPT receives annual Toronto Arts Council funding of \$326,000 and has an endowment fund held, controlled and managed by Ontario Arts Foundation. As at June 30, 2024, the market value of this endowment fund was \$672,695.

The value of YPT's available line of credit as at December 31, 2024 was \$385,000, which is partially supported by a City line of credit guarantee of \$175,000, and which currently expires on December 31, 2026. Young People's Theatre's line of credit guarantee remains in good standing.

Subsequent to 2024 fiscal year end, YPT has been in discussions with its lender (BMO) towards increasing its line of credit to \$500,000, however, no increase in the City Line of Credit guarantee is required.

### **Canadian Stage**

Canadian Stage produces and presents Canadian and international contemporary performance and theatre and supports emerging and established artists. It operates in a City Below-Market-Rent facility at 26 Berkeley Street, is a legacy tenant of the St. Lawrence Centre for the Arts and is the primary licensee of the High Park Amphitheatre.

Canadian Stage has had a financial guarantee from the City since 2001. The City currently provides Canadian Stage with a line of credit guarantee for its \$820,000 credit facility, which is comprised of a \$745,000 line of credit with a Canadian Chartered bank, and a \$75,000 credit facility in favour of Global Payments Direct, Inc. (guarantees the Company's potential obligation against deferred subscriptions). These lines of credit remain in good standing. The City line of credit guarantee currently expires on October 31, 2026.

Of note, Canadian Stage receives an annual Toronto Arts Council grant in the amount of \$832,000, which approximates the level of the line of credit guarantee and acts as security to the City.

### **Toronto Symphony Orchestra**

Founded in 1922, the Toronto Symphony Orchestra (TSO) is one of Canada's largest orchestras, serving audiences and communities from all parts of Toronto. The TSO also offers one of the largest educational programs in Canada, with school concerts for thousands of students, free open rehearsals, and the tuition-free Toronto Symphony Youth Orchestra.



Toronto Symphony Orchestra has had some form of City line of credit guarantee since 2004. Toronto Symphony Orchestra currently has a \$9.2 million line of credit, which is partially supported by a City line of credit guarantee of \$5 million. The balance is supported by a TSO foundational guarantee of \$4.2 million.

Toronto Symphony Orchestra receives annual Toronto Arts Council funding in the amount of \$1,220,000, which offers security for the City line of credit guarantee.

Toronto Symphony Orchestra's line of credit is in good standing, and the TSO forecasts the continued need for the City line of credit guarantee. The existing City line of credit guarantee to the Toronto Symphony Orchestra is currently set to expire in October 2027.

## ***2. Capital Loan Guarantees***

Under City policy, entities eligible for capital loan guarantees are non-profit sporting, recreational and community entities which are seeking to acquire or upgrade their facilities. The maximum total amount of capital loan guarantees provided by the City under this policy is limited to \$300 million, with individual loan guarantees limited to a maximum of \$10 million.

As at December 31, 2024, there were five authorized outstanding capital loan guarantees totaling approximately \$84.46 million in aggregate, as detailed in Table 3 below.

**Table 3 - Summary of Capital Loan Guarantees**

As at December 31, 2024							
Most Recent Date Approved	Name of Entity	Relationship to City	Amount of Loan Guarantee	Loan Balance	Expiry Date	Responsible Program Area	Security
(000's)							
Capital Loan Guarantees - Entity with In Good Standing Loan Status							
July 2016	YMCA -505 Richmond	Registered Charity	\$30,000 to be released at substantial completion	\$26,998	2025 2049	Parks and Recreation	Second Charge and assignment rights
2003	Ricoh Coliseum	City Agency	\$20,000	\$858	July 2025	Exhibition Place	Leasehold Improvements to City lands
2022	Massey Hall	Registered Charity	\$3,000*	\$18,048	Latter of February 28, 2029, or 66 months after TD advances "Take-out loan" to Massey	Economic Development and Culture	2nd charge on assets.
April 2017	Lakeshore Arena Corporation	City Services Corporation	\$30,860	\$21,334	October 2042	Parks and Recreation	Leasehold Interest of facility on Toronto District School Board lands
Sub-Total for Entities In Good Standing			\$83,860	\$67,238			
Capital Loan Guarantees - Entity with Loan Status in Receivership							
January 2009	Artscape FCM – Wychwood Barns	Not-for-Profit	\$600	\$226	August 2029	Economic Development and Culture	Leasehold Improvements to City lands
Total as at December 31, 2024			\$84,460	\$67,464			
Total as at December 31, 2023			\$84,460	\$72,474			
Aggregate Limit			\$300,000				

## **YMCA**

In July 2016, City Council approved the provision of a capital loan guarantee on behalf of the YMCA in support of financing for the construction of a 55,000 sq. ft. YMCA community centre, itself part of the redevelopment of a former City-owned property at 505 Richmond Street West. The City also entered into a related Community Use Agreement with the YMCA for a 30-year term.

Project financing was arranged with Infrastructure Ontario (IO) as lender, with the City providing supportive capital loan guarantees. The IO terms included an interest-only Construction Loan, supported by a Council authorized loan guarantee in an amount not to exceed \$30.0 million (inclusive of all interest costs payable) during the construction period.

As at December 31, 2024, the outstanding Construction Loan balance was \$26,997,980, unchanged from December 31, 2023, as the use of this IO credit facility has reached its maximum.

At the time of construction substantial completion, IO and the YMCA were to refinance the IO Construction Loan into a smaller "take-out" mortgage loan, at which time, the City's million loan guarantee would be replaced by a smaller loan guarantee of up to \$9.5 million, for a term of up to 30 years.

Subsequently, the financing arrangements have been amended, such that YMCA will now be repaying the entire IO construction loan at project substantial completion. While the requirements for City funding participation remain the same, at the time of loan repayment, the City loan guarantee of \$30 million will be released, and no additional loan guarantee will be required.

Council authorized City funding participation comprised of a capital contribution of up to \$19.0 million, along with a City reimbursement of 2/3 of the interest cost of the construction loan, with both payable at project substantial completion. Substantial completion was originally anticipated in late 2019 but has been extended over time due to project-related issues, and is currently anticipated on July 14, 2025.

At its meeting of April 6, 2022, Council authorized the release of \$21 million in Section 37 and Section 45 funds within the King Spadina Secondary Plan Area to meet the City's financial commitments for this project.

Due to the revised timing of substantial completion, the interest cost associated with the IO Construction Loan has increased, requiring additional City funding estimated at up to \$900,000. As a result, future Council Reporting will seek additional funding authorization in order to allow the City to meet its payment obligations for this project.

## **Ricoh Coliseum/BPC Coliseum Inc**

Located on the Exhibition Place grounds, Ricoh (now called "Coca Cola") Coliseum is home to the Toronto Marlies Hockey Club. This 8,300 seat arena, designed with sightlines and acoustics in mind, offers ice rentals, concerts, special and corporate events.

In 2002-2003, the City and Exhibition Place, BPC Coliseum Inc. (an affiliate of OMERS), and the Coliseum Renovation Corp began moving forward with a \$38 million renovation of Ricoh Coliseum. The funding and financing for this arrangement involved equity participation from both the City and OMERS along with third-party debt financing. The City also provided a 49-year lease to BPC Coliseum Inc. for the use of the facility (BPC has a sub-lease agreement with Maple Leafs Sports Entertainment).

The project involved third-party debt financing of \$20 million, requiring a City capital loan guarantee. The City provided a capital loan guarantee through a tripartite "Put Agreement" between the Bank of Montreal (lender), BPC Coliseum Inc. (borrower), and the City (guarantor). This agreement provides the lender with an option (the "Put") to require the City to purchase the total outstanding loan receivable from the bank (principal, interest, and enforcement costs), in the event of a loan default by the borrower. As this arrangement offers the lender protection against a potential loan default, it acts as a capital loan guarantee.

The underlying BPC loan remains in good standing. As at December 31, 2024, the outstanding loan balance was \$858,000 (December 31, 2023: \$2,628,600). It is anticipated that underlying the loan will be fully repaid by July 1, 2025, at which time the City guarantee would be released.

## **Massey Hall**

In April 2022, Council approved, on an exceptional basis, the provision of a capital loan guarantee in support of capital financing arrangements to complete the revitalization of the Massey Hall property at 178 Victoria Street, for an amount of up to \$3.0 million, plus potential enforcement costs of up to \$50,000.

The revitalization project of Massey Hall is considered a project of national significance, with the benefit accruing most substantially to the City of Toronto. The total project cost was estimated at \$189.5 million.

The federal and provincial governments committed \$46.3 million and \$42 million respectively to this project, and the City contributed \$2.55 million in Section 37 funds (Ward 13).

Massey Hall raised funds through corporate and philanthropic contributions as well as through its own operational revenues. Financing, for which the City provided its guarantee, was necessary to complete the revitalization project. The City loan guarantee forms part of an overall loan support package, which also included future operational revenues, pledges and contributions.

Toronto Dominion's capital loan to Massey Hall, which was supported by the City's guarantee, included a demand loan of up to \$22 million, structured as a bridge loan, which would be replaced by a "take-out" loan of up to \$21 million at project substantial completion. As of October 2024, the bridge loan balance outstanding was approximately \$19 million, which would be replaced by a "take-out" loan.

Upon approving the City's capital loan guarantee, Council directed that, should the City's loan guarantee to Massey Hall become payable to the bank by the City, the payment would be accommodated through a reallocation of funds within the Economic Development and Culture Approved Operating Budget.

As at December 31, 2024, Massey Hall's capital loan balance was \$18,048,000, and was in good standing. (December 31, 2023: \$20,438,307)

## **Artscape**

Established in 1986, Toronto Artscape Inc. ("Artscape") was a not-for-profit corporation, with a mandate of developing and managing affordable working and living space for artists and to promote community cultural activities. Artscape was managing a portfolio of 14 separate properties.

Over the years, the City had provided capital loan guarantees to Artscape to assist it in raising the necessary funds to enable its development. In 2022, two of three City Capital Loan guarantees were no longer required and were released by Artscape.

In July 2023, Council authorized the provision of a line of credit guarantee which would support Artscape's \$1.5 million line of credit extension. However, as Artscape announced that it was facing insolvency, this line of credit guarantee was not provided. In 2024, Artscape entered into receivership.

At the time of receivership, Artscape had a City capital loan "guarantee" outstanding in support of a \$225,874.36 loan from the Federation of Canadian Municipalities (FCM) Green Municipal Fund Initiative, which had been structured as a "mirror" loan to Artscape. The original arrangement involved the City borrowing \$600,000 from the FCM in support of Artscape's financing of an energy efficiency project at Artscape Wychwood Barns, while at the same time, the City had made a \$600,000 "mirror" loan to Artscape.

As at the time of receivership, the FCM loan principal loan balance (as well as of the City mirror loan to Artscape) of \$225,874.36 was outstanding. The City is obligated to continue to make payments to the FCM; as Artscape is in receivership, it has not made any further loan repayments to the City. It has yet to be determined whether the City will be able to recover all or a portion of the loan balance through the receivership proceedings. City staff will report on the result of the proceedings in future annual loans and loan guarantees reports.

## **Lakeshore Arena Corporation:**

Lakeshore Arena Corporation (LAC) is a state-of-the-art facility with three NHL regulation pads and one Olympic-sized pad, with expandable seating for up to 4,500 people. Its tenants include the Toronto Maple Leafs, Toronto Marlies, Hockey Canada, and the NHL Players Association, and the Arena also hosted three seasons of CBC's Battle of the Blades.

This facility was originally conceived by the Lakeshore Lions Club, and the City provided the land and a capital loan guarantee to a third-party lender. In September 2011, the City assumed control of the Lakeshore Arena, establishing LAC as a City Services Corporation.

In 2014, third-party private financing to LAC of approximately \$19 million was maturing. The City refinanced this amount through an interim interest-only direct loan, which would then be refinanced. At the time, LAC had additional third-party debt of \$20 million. Subsequently, the City restructured the \$19 million interim debt, as follows:

- Write-down and conversion of \$8.1 million of the City debt into a repayable Shareholder Capital Contribution. Repayment amounts are required to be deposited into a reserve to support ongoing LAC capital maintenance expenditures.

In October 2024, Council amended the repayment formula to address LAC's cash flow challenges, while allowing for the continued repayments. This arrangement is included in the Unanimous Shareholder Declaration for LAC.

- In October 2017, LAC refinanced its capital loans with Infrastructure Ontario, addressing the remainder of this debt, together with other third-party debt, for a total consolidated long-term capital loan of up to \$30.86 million, supported by a City guarantee. The City guarantee was not to exceed \$30.86 million, inclusive of interest and any other costs.

IO subsequently made available a long-term capital loan of only \$26.7 million, giving consideration to potential risks associated with unwinding the loan in the event of a non-remedied default. The City provided an interest-only loan to LAC to cover the balance of \$4.048 million which was ultimately to be replaced by IO financing.

The IO Capital loan balance as at December 31, 2024 was \$21,333,800 (December 31, 2023 was \$22,183,000).

The \$4.048 million City credit facility has been extended over time, and currently expires in October 2025. This report recommends a one-year extension to October 2026. During the extended timeline, City and LAC staff will work on a loan refinancing arrangement, to allow for repayment of both interest and principal to the City over an amended loan term. Staff will report back to Council with recommended refinancing details.

The City continues to make available a \$1 million line of credit to LAC at 3% interest per annum to address operating requirements. Lakeshore Arena Corporation borrowed this amount in 2020 as a result of the pandemic economic shutdown conditions. As at December 31, 2024, LAC had repaid a principal amount of \$200,000, leaving a balance of \$800,000. Lakeshore Arena Corporation has indicated an intention to repay \$100,000 each year, divided in quarterly installments. Table 4 below provides a summary of City loans to LAC.

**Table 4 - Summary of Lakeshore Arena Corporation Outstanding Debt**

	December 31, 2024	December 31, 2023
(\$000's)		
IO Capital Loan- Guaranteed by City	\$21,334	\$22,183
Direct City Loans:		
Interest Only Capital Loan	\$4,048	\$4,048
Line of Credit	\$800	\$1,000
<b>Total Loans and Loan Guarantees</b>	<b>\$26,182</b>	<b>\$27,231</b>

### **3. Direct City Loans**

Under City policy, the occasional direct City capital loan may be provided to City agencies and corporations to contribute to the financing of a project that will create or enhance a capital facility which may be constructed on City-owned property, as this may allow the City to require ownership of the facility to revert back in event of a loan default, or as part of an agreement. Direct City capital loans may not be used to fund operations nor to support operating deficits.

Total direct loans to be provided by the City under this policy are limited at \$125 million. As at December 31, 2024, there were five direct capital loans outstanding under this policy with a total \$41.7 million (December 31, 2023: \$43.4 million), as detailed in Table 5 below.

**Table 5 - Summary of Direct City Loans**

As at December 31, 2024							
Most Recent Date Approved	Name of Entity	Relationship to City	Amount Authorized \$000's	Balance December 31/24 (\$000's)	Expiry Date	Responsible Program Area	Security
<b>Direct City Capital Loans - Entity with Loan Status In Good Standing</b>							
November 2015	Lakeshore Arena Corporation	City Services Corporation	\$11,792	\$4,048	None	Parks and Recreation	Leasehold Interest
December 2016	Leaside Arena	City Agency	\$7,302	\$5,721	November 2043	Arena Board	City Property
December 2016	Conference Centre at Exhibition Place	City Agency	\$38,675	\$25,803	2040	Exhibition Place	City Property
2014	Expansion of BMO Field at Exhibition Place	City Agency	\$10,000	\$6,124	2034	Exhibition Place	City Property
<b>Total as at December 31, 2024</b>			<b>\$67,769</b>	<b>\$41,696</b>			
<b>Total as at December 31, 2023</b>			<b>\$67,769</b>	<b>\$43,401</b>			
<b>Aggregate Limit</b>			<b>\$125,000</b>				

**Lakeshore Arena Corporation**

See the section above for information regarding Lakeshore Arena Corporation's Direct City Capital Loan.

**Leaside Arena**

In January 2012, Council authorized the construction of a second ice pad at Leaside Arena, a City facility operated by the Leaside Arena Board of Management ("Leaside"). The project was completed in 2013 at a total cost of \$12.5 million and was funded by way of City (\$1 million) and community (\$3 million) capital contributions, and financing as follows:

- City recoverable debt of \$7.3 million, inclusive of interest, to be amortized over 30 years (2043), with the debt recoverable from payments to be made to the City by Leaside (the "City loan"). Repayment of the City loan ranks as senior to the loan described below.



- A non-recourse loan from Infrastructure Ontario (IO) of \$1.052 million, to be amortized over 20 years (2032). This loan is at no recourse to the City.

The City issued a revenue bond to IO in support of this non-recourse loan which was secured by non-tax revenues. In the event that Leaside was to generate insufficient revenues to make debt repayments to IO, conditions of the loan agreement would impact Leaside's ice rental rates.

During 2023 - 2024, Leaside has been catching up with the completion of its annual audited financial statements, having recently completed 2020 through 2023, and are currently working on 2024. City and Leaside staff have been participating in ongoing discussion about updating the loan balance to reflect these years.

As at December 31, 2024, the total outstanding of the direct City loan balance was \$5,720,947 (December 31, 2023 balance: \$5,906,000) and non-recourse IO loan balance was \$501,513 (December 31, 2023: \$557,457). Both loans are in good standing.

### **Conference Centre at Exhibition Place**

In 2007, City Council authorized a loan of \$35.6 million (\$38.68 million inclusive of interest) to the Board of Governors of Exhibition Place for the construction of a conference centre within the existing Automotive Building. The loan repayment term is 25 years.

In 2020 and 2021, pandemic-related restrictions impacted cash flows. To assist Exhibition Place in meeting its loan payment obligations, Council approved draws from the Conference Centre Reserve Fund (created for this purpose) of \$1.7 million in 2020, and \$2.3 million in 2021.

As at December 31, 2024, loan payments were up to date, and the outstanding loan balance was \$25.8 million (December 31, 2023: \$26.84 million).

### **BMO Field Expansion at Exhibition Place**

In April 2014, City Council authorized a contribution of \$10.0 million to the Board of Governors of Exhibition Place for the expansion of the BMO Field soccer stadium. The \$10.0 million contribution was debt financed by the City over a 20-year period, with annual loan repayments supported by rent payments which Exhibition Place receives from the stadium's tenant, Maple Leaf Sport and Entertainment Ltd.

The outstanding loan balance was \$6.124 million as at December 31, 2024 (December 31, 2023: \$6.605 million).

## **CONTACT**

---

Althea Hutchinson, Executive Director, Financial Planning Division  
E-mail: [Althea.Hutchinson@toronto.ca](mailto:Althea.Hutchinson@toronto.ca); Tel: 416-338-7840

Karyn Spiegelman, Senior Financial Analyst, Strategic Corporate Analysis and Review,  
Financial Planning  
Email: [Karyn.Spiegelman@toronto.ca](mailto:Karyn.Spiegelman@toronto.ca); Tel: 416-392-8894

## **SIGNATURE**

---

Stephen Conforti  
Chief Financial Officer and Treasurer