

Feasibility of Entering into a Long-term Nominal Lease Agreement with Toronto Fire Fighters Charities Inc. - 641 Eglinton Avenue West

Date: June 2, 2025

To: General Government Committee

From: Executive Director, Corporate Real Estate Management

Wards: 12 - Toronto-St. Paul's

SUMMARY

As directed by City Council (MM24.16), the purpose of this report is to provide an update on discussions regarding the feasibility of the City entering into a long-term nominal lease agreement (the "Prospective Lease") with Toronto Fire Fighters Charities Inc. (the "Prospective Tenant") for the City-owned property at 641 Eglinton Avenue West (the "Property"). The Proposed Lease would support the "Home Away Program" (the "Program") for burn victims receiving treatment at Sunnybrook Hospital or the Hospital for Sick Children.

The Property, former Toronto Fire Services' Fire Hall 135, was most recently utilized by Metrolinx during the construction of the Eglinton Crosstown Light Rail Transit. A preliminary review has identified limited potential for the Property to support City objectives such as housing or other program needs.

City staff evaluated the feasibility and financial implications of adaptively reusing the Property to accommodate the Program and ultimately inform the viability of entering in a Prospective Lease. The feasibility study concludes that establishing the Program at the Property (the "Project") is achievable and can largely be accommodated within the existing structure, subject to careful design and funding. Given the age and vacant status of the Property, the extent of deterioration introduces significant risks, and early-stage hazardous materials and structural assessments are critical to inform design and cost certainty. Addressing these risks is essential to ensure the safety, compliance, and long-term viability of the Project.

Staff have determined a preliminary estimate of the total capital cost for the Project is approximately \$12 million. This includes an allocation of \$8 million for base building rehabilitation and \$4 million for programmatic interior development.

The City's capital budget includes \$2 million to support immediate stabilization of the building, mitigate building failure and address urgent health and safety issues. This work is scheduled for design in 2025 and implementation in 2026. This is distinct from the approximately \$12 million of unfunded capital work required to improve and fit-out the Property to be able to accommodate the Program.

City staff have had ongoing preliminary discussions with the Prospective Tenant, who has demonstrated interest and willingness to secure funding to support the additional work required to fit-out the Property. City staff are committed to continue productive discussions on the Prospective Lease, including progress on the Prospective Tenant's funding/fundraising efforts, for which, at this point in time, no additional requests for the City's support have been made. Entering into the Prospective Lease for the Property requires City Council approval, and staff will seek authority from City Council as required.

RECOMMENDATIONS

The Executive Director, Corporate Real Estate Management recommends that:

1. The General Government Committee receive this report for information.

FINANCIAL IMPACT

There is no financial impact resulting from the adoption of the recommendation in this report.

However, staff have determined that preliminary estimates of the total capital cost for establishing the Program at the Property (the "Project") are approximately \$12 million as detailed in Table 1 below. This includes an allocation of \$8 million for base building rehabilitation, which encompasses structural and envelope restoration, environmental remediation for hazardous materials such as asbestos and mold, the installation of new HVAC, plumbing, and electrical systems, as well as heritage-sensitive finishes and upgrades to ensure accessibility compliance. An additional \$4 million is estimated for programmatic interior development, which will cover the construction of interior partitions and finishes, procurement of fixtures, furniture, and equipment, and the implementation of IT infrastructure, security systems, and signage. The estimated capital cost is intended as a preliminary estimate to inform early-stage planning and would require further refinement through any subsequent detailed design and procurement processes.

Table 1: Estimated Project Capital Costs

Category	Estimated Cost
Base Building	\$8 million
Programmatic Interior Development	\$4 million
Total	\$12 million

The City's capital budget includes \$2 million to support immediate stabilization of the building, mitigate building failure and address urgent health and safety issues. This work is scheduled for design in 2025 and implementation in 2026 and includes roof replacement, localized repairs to windows, doors, and masonry, and the remediation of designated substances, as required. This is distinct from the approximately \$12 million of unfunded capital work required to improve and fit-out the Property to be able to accommodate the Program.

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The estimated total opportunity cost of the Prospective Lease over a 50-year (less one day) term is \$4,462,000.

The Chief Financial Officer and Treasurer has reviewed this report and agrees with the information as presented in the Financial Impact Section.

DECISION HISTORY

At its meeting on December 17 and 18, 2024, City Council adopted MM24.16 - Supporting a Fire Fighters Burn Victim Care Centre, requesting the City Manager to report on the feasibility of entering into an agreement with Toronto Fire Fighters Charities Inc. to lease 641 Eglinton Avenue West at a nominal cost for the "Home away Program" for burn victims receiving treatment at Sunnybrook or the Hospital for Sick Children, as well as to work with the Government of Ontario to support the "Home Away Program."

<https://secure.toronto.ca/council/agenda-item.do?item=2024.MM24.16>

COMMENTS

Background

The Property, former Toronto Fire Services' Fire Station 135, was built in 1932 in the Forest Hill neighbourhood of Toronto. It originally served both as a fire hall and police station. Over the years, the station underwent several additions, including expansions in 1937 and 1971. In 1967, Forest Hill amalgamated into the City of Toronto, and the fire station became part of Toronto Fire Services' operations. See Appendix A and Appendix B for a location map and exterior photos of the Property, respectively.

To accommodate the construction of Toronto Transit Commission's Chaplin Station on the Eglinton Crosstown Light Rail Transit line, the eastern portion of the fire station was demolished, and the station was closed. A new fire station was constructed on the west side of Chaplin Crescent, north of Eglinton Avenue West. The western portion of the original fire hall has been retained due to its heritage status.

The Property is currently vacant, and was most recently used by Metrolinx for construction staging. A preliminary review has identified limited potential for the Property's potential to support City objectives such as housing or other program needs is likely limited due to considerations such as existing heritage restrictions, proximity to transit infrastructure, small lot size, building separation distance requirements, and vehicle access limitations. Further due diligence work is required to assess the Property's full redevelopment potential, including a heritage assessment and investigation of the below- and above-grade infrastructure, easements, and encumbrances.

In December 2024, City Council directed City staff to report back on the feasibility of the City entering into a Prospective Lease with the with the Prospective Tenant to support the program for burn victims receiving treatment at Sunnybrook Hospital or the Hospital for Sick Children.

Details of Feasibility Study

Scope

The feasibility study carried out by City staff assessed the adaptive reuse of the Property to support the establishment of the Program. The Program is modeled after the BC Professional Fire Fighters' Burn Fund's facility, which provides temporary accommodations for families of fire-related trauma patients receiving treatment in the city. The Program aims to provide low-cost, short-term accommodations for burn and trauma survivors and their families.

City staff evaluated the feasibility and budgetary implications of adaptively reusing the Property to accommodate the Program to ultimately inform the viability of the City entering into a Prospective Lease with the Prospective Tenant. The study included preliminary cost estimates for site and building upgrades, such as accessibility improvements, building envelope rehabilitation, mechanical and life safety system

upgrades, interior renovations, and environmental abatement and compliance. The cost estimates are detailed in the Financial Impact section.

The Property is able accommodate the proposed Program concept, including eight residential suites located in the basement and on the second floor, two administrative offices on the ground floor, a boardroom/community room on the ground floor and basement, as well as space dedicated to a museum/display area in the lobby to preserve and display the heritage of Fire Station 135. Additionally, space would be required throughout the building for circulation and services.

Heritage Preservation Considerations

The Property is listed on the Toronto Heritage Register, requiring adherence to heritage conservation principles and coordination with City Heritage Preservation Services. A Heritage Impact Assessment is likely required, and restoration of the historic façade and roof profiles will be necessary. Full compliance with the Ontario Building Code, Accessibility for Ontarians with Disabilities Act , and Fire Code is mandatory. This includes the installation of ramps, automatic doors, widened doorways, and other modifications to ensure barrier-free access. These costs are factored into the base building rehabilitation capital estimate.

Environmental and Structural Considerations

Given the age and vacant status of the Property, the site presents several environmental and structural challenges. Hazardous materials such as asbestos, lead, and mold are present and will require full abatement. The building exhibits significant deterioration of the roof and envelope, water infiltration, and interior damage, all of which have accelerated structural and material decay. Core systems—including mechanical, electrical, and life safety infrastructure—are outdated. Required upgrades include roof reconstruction, full envelope restoration, complete interior gutting and rebuild, new HVAC and fire protection systems, lighting, data infrastructure, and heritage-sensitive finishes and detailing. As identified in the Financial Impact section, funding in the amount of \$2 million has been previously allocated from the City's Capital budget to support immediate stabilization of the building, mitigate building failure and address urgent health and safety issues.

Conclusion

The feasibility study concludes that adaptive reuse of the Property to accommodate the Program is achievable, subject to spatial and functional compromises and funding. The Program can largely be accommodated within the existing structure with careful design. Given the age and vacant status of the Property, the extent of deterioration introduces significant risks, and early-stage hazardous materials and structural assessments are critical to inform design and cost certainty. Addressing these risks is essential to ensure the safety, compliance, and long-term viability of the Project.

Due to the building's deteriorating condition, the City has allocated funding to support immediate stabilization of the building, mitigate building failure and address urgent health and safety issues. This is distinct from the approximately \$12 million of unfunded

capital work required to improve and fit-out the Property to be able to accommodate the Program.

The City is in ongoing discussions with the Prospective Tenant to better understand progress on funding/fundraising efforts. At this point in preliminary discussions, no additional requests for the City's support have been made by the Prospective Tenant. Entering into the Prospective Lease for the Property requires City Council approval, and staff will seek authority from City Council as required.

CONTACT

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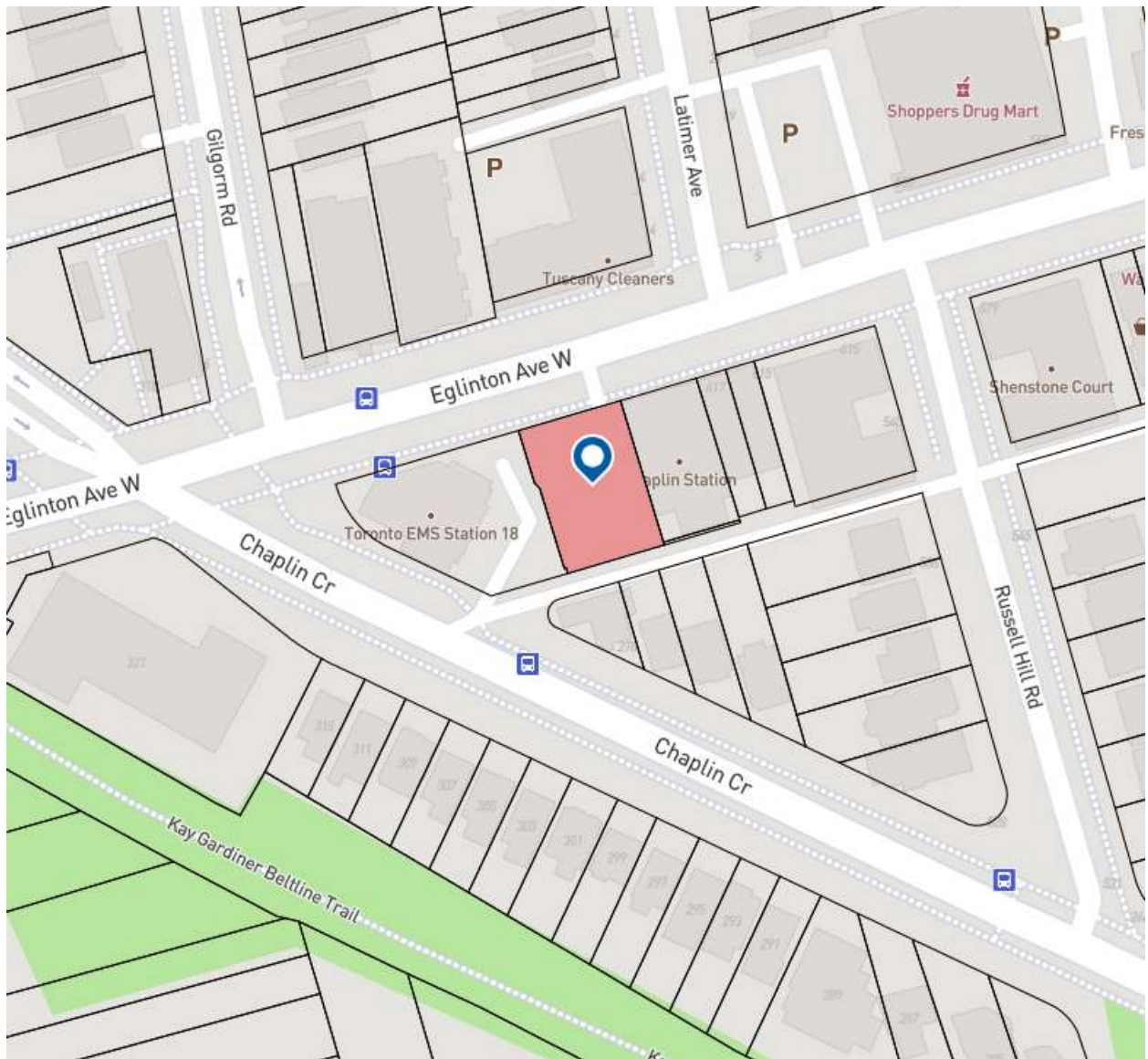
SIGNATURE

Patrick Matozzo
Executive Director, Corporate Real Estate Management

ATTACHMENTS

Attachment 1 - Location Map of Property
Attachment 2 - Exterior Property Photos

Attachment 1 - Location Map of Property



Attachment 2 - Exterior Property Photos

