

650 Parliament Street – City’s Claim for Recovery of Costs

Date: June 10, 2026

To: City Council

From: City Solicitor

Wards: All Wards

REASON FOR CONFIDENTIAL INFORMATION

This report is about litigation that affects the City of Toronto.

The attachment to this report contains advice or communications that are subject to solicitor-client privilege and litigation privilege.

SUMMARY

On August 21, 2018, Toronto Fire Services responded to a reported fire at 650 Parliament Street – a 22 storey residential building with 570 apartment units (the “Property”). The building is owned by Parwell Investments Inc. and Bleeman Holdings Ltd. (the “Property Owner”). Approximately 1,500 residents were initially displaced from their homes. The Property Owner stated that they were not immediately equipped to respond to the emergency, including the provision of interim shelter, food, wares, and transportation for all of the displaced residents of the Building. However, Mr. Samuel Grosz, President of the Property Owner, agreed to make the City whole if the City would provide emergency services to the displaced residents.

The City incurred significant costs in providing and facilitating the delivery of emergency human services (e.g. accommodation, clothing, food, access to medical aid, transportation).

In 2020, the City commenced legal action against the Property Owner to recover the City’s costs of providing emergency human services to the displaced residents of the Property from the Property Owner. The City has since resolved its claim with the Property Owner.

RECOMMENDATIONS

The City Solicitor recommends that:

1. City Council adopt the confidential recommendations contained in Confidential Attachment 1 to this report from the City Solicitor;
2. City Council authorize the public release of the confidential recommendations contained in Confidential Attachment 1, if adopted by City Council; and
3. City Council direct that the balance of Confidential Attachment 1 to this report from the City Solicitor remain confidential as it contains advice about litigation or potential litigation that affects the City of Toronto and contains advice or communications that are subject to solicitor-client and litigation privilege.

FINANCIAL IMPACT

The financial implications are discussed in Confidential Attachment 1.

DECISION HISTORY

At its meeting on January 29, 2020, City Council adopted Item 2020.CC14.7 – Recovery of Costs – 650 Parliament Street, authorizing the City Solicitor to commence a civil action to recover the City’s costs of providing emergency human services to the displaced residents of the Property from the Property Owner. City Council also requested that the City Solicitor report back to City Council at the earliest available opportunity on the outcome of the confidential instructions to staff.

[Agenda Item History - 2020.CC14.7](#)

COMMENTS

Background

On August 21, 2018, Toronto Fire Services responded to a 6-alarm fire at 650 Parliament Street. The entire Building's 22 floors and basement had varying levels of smoke, heat, fire, and explosions. The cause is understood to be a failure of the electrical system in the building that caused smaller explosions in the electrical closets throughout the building. There was significant damage throughout the building.

Approximately 1500 residents were displaced with almost all sustaining personal property damage and related losses. The Property Owner was ill-equipped to provide for the residents so the City responded to the immediate needs of the displaced residents by providing such things as shelter and food. City staff with emergency training were deployed and the Red Cross (through the City’s standing contract) was

called in to assist. The Red Cross alone dedicated 4,362 hours to supporting the response.

The City opened up community centres to provide temporary accommodations to many residents. Hotels were also used for individuals where factors such as vulnerability required a different approach than the communal open space afforded by a community centre. This was provided until early October, 2018, when the Property Owner transitioned to be a direct supporter of the continuing needs of the residents. The response was particularly challenging because the fire happened shortly before the commencement of the school year and vacancy rates in Toronto were very low.

The City incurred \$3,754,994 in relation to the response. \$3,155,410 of those monies were paid directly to the Red Cross with the principal expenses related to lodging and food. The remaining \$599,583 relates to overtime staffing costs incurred by the City, additional security costs for the community centres that were converted to temporary shelters, and the cost of direct aid given to displaced residents in the form of food and metropasses for transportation.

The City commenced a claim against the Property Owner under breach of contract and unjust enrichment. The claim for breach of contract was based on the oral representation by the Property Owner that the City would be reimbursed for its expenses. The parties engaged in negotiations which resulted in a final settlement in March, 2026. Confidential Attachment 1 provides further information on the settlement that is the subject matter of this report.

CONTACT

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SIGNATURE



Wendy Walberg
City Solicitor

ATTACHMENTS

Confidential Attachment 1 - Confidential instructions from the City Solicitor