

March 24, 2026

Mr. John Elvidge, City Clerk
City Clerk's Office
100 Queen Street West
12th Floor, West Tower
Toronto, ON M5H 2N2

Dear Mr. Elvidge,

Re: Administrative Inquiry regarding 233 Carlton Street

Councillor Moise submitted an Administrative Inquiry to seek information on 233 Carlton Street. This letter has been prepared in coordination with Toronto Shelter & Support Services in response to this request.

Response:

Please find below responses to each of the questions submitted.

1. What are the roles and responsibilities of all parties involved in the 233 Carlton project?

The 233 Carlton project is delivered through a coordinated approach involving City divisions, external consultants, and the future service operator.

Toronto Shelter and Support Services (TSSS) is the program owner, responsible for the overall project budget, as well as program and operational requirements, and for leading community engagement and communications.

Corporate Real Estate Management (CREM) is responsible for overall capital project delivery, including design, construction, and coordination across internal stakeholders through the delivery process, including the General Contractor and Prime Consultant.

- BDA Inc. is the General Contractor responsible for construction of the facility.
- Read Jones Christoffersen Ltd. (RJC) is the Prime Consultant, providing architectural, design, and engineering services.

Fred Victor is the funded service provider and will operate the Women's Drop-In program at 233 Carlton, delivering all client-facing services once the site is operational.

2. How were site selection and property-related decisions made for 233 Carlton Street, and what were the alternatives?

a. Was purchasing the building outright an option?

The City explored purchasing the property; however, the owner was not willing to pursue a sale. At the time, entering into a lease represented a measured and fiscally responsible approach, given upward pressure on property values and increasing construction costs, which introduced greater financial risk associated with acquisition.

b. Is the City able to purchase and/or expropriate the building?

The City has mechanisms available for property acquisition, including expropriation under specific conditions. However, any such approach would require a thorough due diligence review to assess feasibility, risks, and whether acquisition represents the most appropriate course of action.

c. Please provide a complete list of other locations that were being considered for this purpose.

City staff, in collaboration with an external real estate agent, reviewed 11 potential sites. These locations were not advanced due to factors such as insufficient size, unwillingness of property owners to permit a 24-hour Women's Drop-In, or the extent of renovations required. The City does not publicly release lists of sites under consideration, as doing so could compromise its negotiating position for future property acquisitions or other City initiatives.

d. Did 233 Carlton meet all of the City's drop-in requirements, if not, which requirements were met and not met?

233 Carlton meets the functional requirements for the 24-Hour Women's Drop-In Program, including the provision of space for services. Site requirements are informed by the Shelter Design and Technical Guidelines.

As with most retrofit projects, renovations were required to adapt the building for this use; however, these modifications are typical for City shelter and drop-in developments. For this site, outdoor space was added based on community feedback, and HVAC systems were upgraded based on lessons learned from COVID-19 to improve health and safety.

e. Did any of the other locations explored meet any of the City's drop-in requirements, if so which ones?

City staff assessed multiple potential sites against program requirements; however, 233 Carlton was determined to be the most suitable option based on location, overall fit, feasibility, and availability. As stated above, the City does not

publicly release details of sites under investigation, as doing so could compromise its negotiating position for future property acquisitions or other City initiatives.

3. What was the total original budget for the 233 Carlton Street project and what is the current total estimated budget as of March 2026, broken down by category?

In May 2019, a pre-tenancy review was performed and a preliminary pre-design estimate of approximately \$3.7 million was provided, based on a consultant assessment to bring the building into a state of good repair. This estimate did not reflect the full project scope and excluded additional project costs such as consultant fees, internal staffing, and furniture and equipment.

The results of the competitive procurement process for the general contractor were adopted by the Bid Award Panel in November of 2022. At design completion and start of construction in December 2022, the total construction cost for the project was \$8.7 million, with a total project cost estimate of approximately \$11.0 million, inclusive of consultant fees, furniture, and other project expenses.

During 2025, two contract changes were made amounting to a total construction cost of \$9.14 million. These contract changes were made to account for unforeseen site conditions and required changes to meet Building Code compliance and operational requirements, bringing total project cost estimates to \$11.5 million in 2025, which is the current committed amount.

The increase is primarily attributable to unforeseen site conditions encountered during construction that could not be reasonably ascertainable through standard due diligence at the time of design and procurement and resulted in both schedule impacts and additional construction costs.

These include:

- High groundwater in the surrounding area that was discovered once excavation for the new elevator pit commenced, this required extensive de-watering and underpinning efforts.
- Enhanced waterproofing and foundation for the new elevator pit to address the revealed groundwater conditions.
- Roofing and parapet demolition required to accommodate installation of HVAC units, as the roof could not structurally handle the rooftop HVAC units.

As of March 2026, the projected cost estimate at completion is forecasted to be approximately \$13.5 million. The forecasted cost accounts for project risks and includes expenses that may not be realized.

Category	Purchase Order Amount as of 2022	Purchase Order Amount as of 2025	Current Forecasted Cost at Completion as of March 2026*
General Contractor	\$8,646,800	\$9,141,663	\$10,899,980

Design Consultant	\$1,354,817	\$1,354,817	\$1,522,607
Construction Monitoring Consultant	\$53,448	\$53,448	\$53,448
Furniture	\$198,228	\$198,228	\$198,228
Internal staffing costs for project management	\$554,749	\$554,749	\$667,456
Non-Recoverable HST	\$199,770	\$199,770	\$234,814
Total	\$11,007,812	\$11,502,675	\$13,576,533

*The forecasted cost accounts for project risks and includes expenses that may or may not be realized.

4. Are there outside forces, such as a global pandemic or economic tariffs, that have contributed to the escalation of costs, and what has been the estimated impact on the 233 Carlton Street project?

Project cost increases have been influenced by a combination of schedule delays and broader market conditions. The initial estimate of approximately \$3.7 million was a preliminary pre-design estimate based on a consultant assessment of bringing the building into a state of good repair. This estimate did not reflect the full project scope and excluded additional project costs such as consultant fees, internal staffing, and furniture and equipment. As the design advanced, the project scope was refined to incorporate operational requirements, Shelter Design and Technical Guidelines and community feedback, resulting in a more comprehensive and accurate project budget.

The project also experienced delays as a result of community appeals to the Toronto Local Appeal Body (TLAB), which extended the project timeline by approximately two years. The TLAB ruled in the City’s favour in March 2022.

In addition, the project was impacted by the COVID-19 pandemic, which contributed to construction cost escalations, supply chain disruptions, and labour market pressures across the sector.

Generally, Toronto experienced significant construction cost escalation between 2019 and December 2022 due to these factors. While escalation began to stabilize in late 2022, costs remain at a higher baseline and have not return to pre-pandemic levels. The combination of schedule delays and expanded project scope, together with cost escalation during the TLAB and COVID-19 period, resulted in increases from the initial 2019 capital investment estimate.

5. When were City Staff first made aware that the budget for the 233 Carlton Street project was increasing and at what other times were staff made aware of the increasing project budget?

Project budget updates were identified and communicated to staff at key stages throughout the project lifecycle, consistent with standard project management and change control processes, and following relevant City financial and procurement policies and bylaws.

At key milestones through the design process, staff were provided with Class Estimates that updated the construction cost estimates for the project. These documents and estimates would have been considered confidential to protect the City's financial interests when the project was tendered.

The Request for Tender (RFT) was issued on August 19, 2022, to pre-qualified general contractors for the renovation work at 233 Carlton. On October 3, 2022, the RFT was closed and following the procurement tender evaluation process BDA Inc. was awarded the contract by the Bid Award Panel on November 23, 2022. The Purchase Order (PO) was issued to BDA Inc. on December 19, 2022.

On February 25, 2025, a request for the first PO amendment in the amount of \$392,526.57 was approved for BDA Inc. On October 12, 2025, a request for the second PO amendment in the amount of \$102,336.51 was approved for BDA Inc. These PO amendments were approved for additional remedial work to address unforeseen site conditions during construction and required changes to meet Building Code compliance.

Budget increases were advanced through formal change control procedures and purchase order amendments, reflecting approved changes to building design and unforeseen site conditions identified during construction.

a. What was the total estimated budget in Q1 2021?

In Q1 2021, the total project budget was estimated at \$3.7 million, based on a pre-design and feasibility study prepared by the design consultant. These initial estimates were based on a minimal scope of renovation work and excluded additional project costs such as consultant fees, internal staffing, furniture and equipment costs. Through the design process, the scope of renovations expanded in order to incorporate best practices from the Shelter Design and Technical Guidelines and to respond to community feedback on site design.

b. What was the total estimated budget in Q1 2023?

In Q1 2023, following completion of the design and award of the general contractor tender, construction was estimated to be \$8.7 million, while the total project budget was estimated at \$11.0 million.

c. What was the total estimated budget in Q1 2025?

At the beginning of Q1 2025, total project cost was projected at \$11.0 million. Through two contract changes in 2025, total project cost increased to \$11.5 million reflecting the impact of unforeseen site conditions encountered during construction and required changes to meet Building Code compliance. As of March 2026, the projected cost at completion is forecasted to be approximately \$13.5 million, which takes into account potential project risks and includes expenses that may not be realized.

6. How and when were project updates – such as delays, cost increases, and construction complications – communicated to City Council and the community?

Updates regarding project delays were shared with the community through Community Liaison Committee (CLC) meetings, community bulletins, and the project webpage. Council was also updated on project status, including delivery timelines and delays, through the annual Shelter Infrastructure Reports considered annually.

Staff informed the community of project delays during CLC meetings held in March, April, May, June, and July 2025. The CLC did not meet in August or September. In October 2025, updates were provided to the CLC regarding construction delays, with a particular focus on issues related to the elevator hub. After a pause in meetings, the CLC reconvened in February 2026 with members and the local Councillor's office present. At that meeting, staff provided updates on the delays, including updates related to contractor changes and continued challenges associated with the elevator installation.

A community bulletin was issued in August 2025 that communicated construction delays and at that time shared a tentative opening timeline of November 2025. This was the most recent bulletin issued to the community.

In addition, the project webpage was updated in late 2025 to reflect a revised tentative opening timeline of Q4 2026.

Changes to the project budget were not communicated as part of the community engagement process.

7. What considerations should be made in future projects of similar type to ensure best use of City funds and clear and timely communication to City Council and the public?

Subsequent projects have benefited from more consistent and coordinated messaging across engagement channels, including Community Liaison Committees (CLCs), Councillor briefings, community bulletins, and project webpages. This integrated approach has supported clearer public understanding of project progress, key decisions, and emerging challenges.

Communications should be embedded as a core component of project delivery, with regular, plain-language updates provided at key milestones; particularly when there are changes to timelines, scope, or budget. Establishing clear expectations for when and how updates are shared with the Councillor's office and the community helps ensure transparency, reduce confusion, and build trust. More consistent use of coordinated messaging across channels (e.g., CLCs, briefings, bulletins, and webpages) also supports clearer public understanding of project progress and challenges.

8. When will the relocated women's resource centre drop-in open? Is partial occupancy possible at an earlier date?

The relocated 24-Hour Women's Drop-In is currently anticipated to open in Q4 2026, subject to completion of construction and final occupancy approvals.

City staff assessed the feasibility of partial occupancy to determine whether the facility could open earlier. On December 11, 2025, CREM's Project Management Office convened a site meeting with Toronto Building, the General Contractor (BDA), the Prime Consultant (RJC), and the project architect to review outstanding elevator work and evaluate potential options.

Following this meeting, RJC completed a comprehensive engineering review to assess whether the building could meet required safety, spacing, and separation standards under a partial occupancy scenario. The review concluded that partial occupancy is not feasible at this time.

Key constraints include:

- Requirements for full separation between occupied areas and active construction zones.
- Reduced functionality within critical areas such as the main entrance lobby and stairwell due to additional separations.
- Accessibility limitations to upper floors due to the sealed elevator shaft and absence of a functioning elevator.

Given these constraints, partial occupancy would not support safe or effective operation of the facility and is not being pursued at this time. The feasibility of partial occupancy will be re-evaluated in July 2026.

Thank you,



Patrick Matozzo
Executive Director

cc.

David Jollimore, Deputy City Manager, Corporate Services

Kate Bassil, Deputy City Manager, Community & Emergency Services