



**City of Kingston  
Report to Council  
Report Number 24-239**

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**To:** Mayor and Members of Council

**From:** Paige Agnew, Commissioner, Growth & Development  
Services

**Resource Staff:** Brandon Forrest, Director, Business Real Estate &  
Environment

**Date of Meeting:** October 15, 2024

**Subject:** Municipal Capital Facility Agreement and By-Law – 53 Yonge  
Street

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**Council Strategic Plan Alignment:**

Theme: 4. Foster a Caring and Inclusive Community

Goal: 4.2 Help address food insecurity and sustainability.

**Executive Summary:**

Kingston Employment and Youth Services Inc. (KEYS) operates an innovative food entrepreneurship program called Harbour Community Kitchen for women from a variety of inclusion groups (racialized, persons with disabilities, Indigenous, newcomer women), all with low income and limited or no access to credit. Harbour Community Kitchen operates out of the second floor of 53 Yonge Street at the Portsmouth Olympic Harbour building (POH).

The approved recommendation to Council Report 24-047 provided authority to extend the existing lease with KEYS for an additional two years until December 31, 2025. Staff are seeking approval of a Municipal Capital Facility Agreement (MCFA) with KEYS to ensure the financial viability of the Harbour Community Kitchen program.

October 15, 2024

Page 2 of 5

**Recommendation:**

**That** Council authorize the Mayor and Clerk to execute a Municipal Capital Facility Agreement with Kingston Employment and Youth Services Inc. for their premises leased at 53 Yonge Street, Kingston, in order to exempt the premises from taxation for municipal and education purposes; and

**That** the tax exemption be effective upon final execution of the associated Municipal Capital Facility Agreement; and

**That** in accordance with Section 110(6) of the *Municipal Act, 2001*, the by-law attached as Exhibit A to Report Number 24-239, be presented and given all three readings to provide an exemption to the portion of 53 Yonge Street to which the Municipal Capital Facility Agreement applies, from taxation for municipal and school purposes; and

**That** in accordance with Section 110(8) of the *Municipal Act, 2001* the Clerk be directed to give written notice of the passing of the by-law to the local school boards having jurisdiction in the area in which the property is located and to the Municipal Property Assessment Corporation as required by Section 110(5) and (8); and

**That** Council authorize the Mayor and Clerk to execute any agreements requisite to the provision of the Municipal Capital Facility Agreement in a form satisfactory to the Director of Legal Services.

October 15, 2024

Page 3 of 5

**Authorizing Signatures:**

ORIGINAL SIGNED BY COMMISSIONER

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**Paige Agnew, Commissioner,  
Growth & Development Services**

p.p. ORIGINAL SIGNED BY CHIEF  
ADMINISTRATIVE OFFICER

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**Lanie Hurdle, Chief  
Administrative Officer**

**Consultation with the following Members of the Corporate Management Team:**

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| Paige Agnew, Commissioner, Growth & Development Services                         | Not required |
| Jennifer Campbell, Commissioner, Community Services                              | Not required |
| Neil Carbone, Commissioner, Corporate Services                                   | Not required |
| David Fell, President & CEO, Utilities Kingston                                  | Not required |
| Peter Huigenbos, Commissioner, Major Projects & Strategic Initiatives            | Not required |
| Brad Joyce, Commissioner, Infrastructure, Transportation<br>& Emergency Services | Not required |
| Desirée Kennedy, Chief Financial Officer & City Treasurer                        |              |

October 15, 2024

Page 4 of 5

**Options/Discussion:****Background**

The primary goal of the Harbour Community Kitchen at POH is to facilitate access to a safe, clean, operational, and KFL&A Public Health-approved kitchen facility and thereby reduce one of the main barriers that early start-ups face when starting a food-based business. Background on this partnership and its alignment to one of Council's previous strategic goals: Support Social Enterprises, can be found in Council [Report Number 22-051](#). The project also aligns with the City's current strategic priorities "to help address food insecurity and sustainability" and "diversify Kingston's economic base".

The Harbour Community Kitchen had secured funding to continue to support additional women to be trained to be food entrepreneurs and to access the kitchen. The grant required that monthly rent in the amount of \$1,500 be paid to the City for the use of POH premises. KEYS had indicated that, depending on funding and program costs, there may be some financial challenges to sustain the program over the 2-year period. Based on that, staff recommended, in Council Report 24-047, that the \$1,500 per month revenue be set into a separate account and that program needs be reviewed at year end and the Chief Administrative Officer (CAO) be provided with delegated authority to reallocate funds to KEYS as necessary to ensure that the program continues to remain sustainable over the proceeding 2-year period.

**Analysis**

An exemption from paying municipal property taxes shall relieve the City and the Harbour Community Kitchen program from additional property tax assessment charges in the amount of \$2,500 for the remaining period of 2024 following execution of the MCFA, as well as any assessed property taxes for 2025. An exemption from applicable property taxes will help ensure sustainability of the respective program as previously approved by Council.

**Indigenization, Inclusion, Diversity, Equity & Accessibility (IIDEA) Considerations**

The programming delivered by KEYS at POH is specifically designed to support women with various intersectional identities (racialized, persons with disabilities, Indigenous, newcomer women) and all with low income and limited or no access to credit.

**Existing Policy/By-Law**

The City's Revenue Leasing and Licensing Policy supports the use of an MCFA for property tax exemption where a strategic Council direction is being met.

**Notice Provisions**

The Clerk shall provide written notice of the passing of the associated by-law to the local school boards having jurisdiction in the area in which the property is located and to the Municipal Property Assessment Corporation as required by Section 110(5) and (8).

October 15, 2024

Page 5 of 5

**Financial Considerations**

The total property tax exemption resulting from the MCFA, is estimated at approximately \$17,500 for the remaining term of the lease, subject to any term extensions.

**Contacts:**

Evan Embacher, Property Specialist, 613-546-4291 Extension 3169

**Other City of Kingston Staff Consulted:**

Jeff Walker, Manager, Taxation & Revenue, Financial Services

Craig Desjardins, Director, Strategy, Innovation & Partnerships

Jenna Morley, Counsel for the City of Kingston

**Exhibits Attached:**

Exhibit A Draft Municipal Capital Facility By-Law

**By-Law Number 2024-XX**

**A By-Law to Authorize an Agreement for the Provision of a Municipal Capital Facility at 53 Yonge Street, Kingston, Ontario**

**Passed:** [Meeting Date]

**Whereas** Section 110(1) of the *Municipal Act, 2001* (the “Act”) provides that a municipality may enter into agreements for the provision of municipal capital facilities; and

**Whereas** Section 110(6) of the Act states that the council of a municipality may exempt from all or part of the taxes levied for municipal and school purposes land or a portion of it on which a municipal capital facility is or will be located that is the subject of an agreement under Section 110(1) of the Act; and

**Whereas** pursuant to Ontario Regulation 603/06 enacted under the Act, a municipality may enter into an agreement under Section 110(1) of the Act for the provision of municipal facilities related to the provision of social and health services; and

**Whereas** Kingston Employment and Youth Services Inc., as tenant (the “Tenant”), entered into a lease agreement dated August 9, 2022 (the “Lease”) with The Corporation of the City of Kingston, as landlord (the “City”), whereby the City agreed to lease certain premises located on the second floor of the building municipally known as 53 Yonge Street, Portsmouth Olympic Harbour Building, Kingston (the “Premises”) to the Tenant for purposes of a municipal facility for a social enterprise kitchen; and

**Whereas** Council is desirous of entering into an agreement with the Tenant for the provision of a municipal capital facility at the Premises;

**Therefore be it resolved that** the Council of the City hereby enacts as follows:

1. Pursuant to Section 110 of the *Municipal Act, 2001* the City is authorized to enter into an agreement with the Tenant for the provision of a municipal capital facility for a social service at the Premises, in accordance with Section 2(1)(10) of Ontario Regulation 603/06 (the “Agreement”).
2. The Premises are exempt from taxation for municipal and school purposes.
3. This By-Law shall be deemed repealed:
  - (a) If the City ceases to own the Premises without having assigned the Agreement to the new owner of the Premises;

- (b) If Kingston Employment and Youth Services Inc. ceases to use the Premises for purposes of the provision of a social enterprise kitchen;
  - (c) When the Lease, or any renewal or extension of the Lease, expires or is otherwise terminated for any reason whatsoever; or
  - (d) If the Agreement is terminated for any reason whatsoever.
4. Sections 1 and 4 of this By-Law shall come into force on the day that this By-Law is enacted. Sections 2 and 3 of this By-Law shall come into force on the day that the Agreement is entered into by the City and the Tenant.

Given First and Second Readings

Given Third Reading and Passed

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**Janet Jaynes**  
**City Clerk**

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**Bryan Paterson**  
**Mayor**