



**City of Kingston
Report to Council
Report Number 26-140**

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: May 19, 2026
Subject: 315 Queen Mary Road- Municipal Capital Facility Agreement

Council Strategic Plan Alignment:

Theme: 4. Foster a Caring and Inclusive Community

Goal: 4.1 Enhance community safety and well-being.

Executive Summary:

As outlined in Report [24-204](#), 315 Queen Mary Road was purchased by the City in 2024. The building is in the process of being renovated for community purposes, which includes spaces for a medical clinic, to be operated by Kingston Community Health Centres (KCHC), and a transitional supportive housing program to be operated by Home Base Housing (HBH). KCHC and HBH will lease separate portions of the building and occupancy for both uses is anticipated in the short-term. Staff are seeking approval of Municipal Capital Facility Agreements (MCFA) with KCHC and HBH to ensure the long-term financial viability of the health clinic and transitional supportive housing program.

Recommendation:

That Council declare pursuant to Ont. Reg 603/06 s. 6(1) under Section 110 of the *Municipal Act, 2001* that the municipal capital facilities are for the purposes of the municipality and are for public use; and

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That Council approve entering into a lease with Kingston Community Health Centres for 315 Queen Mary Road that includes municipal capital facility provisions, in order to exempt the associated occupied premises from taxation for municipal and education purposes, effective upon the execution of the lease; and

That Council approve entering into a lease with Home Base Housing for 315 Queen Mary Road that includes municipal capital facility provisions, in order to exempt the associated occupied premises from taxation for municipal and education purposes, effective upon the execution of the lease; and

That in accordance with Section 110(6) of the *Municipal Act, 2001*, the by-laws attached as Exhibits A and B to Report Number 26-140, be presented and given all three readings to provide an exemption to the associated occupied areas of 315 Queen Mary Road, from taxation for municipal and school purposes, following the execution of the associated leases; 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-laws 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) of the *Municipal Act, 2001*.

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Authorizing Signatures:

ORIGINAL SIGNED BY COMMISSIONER

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

ORIGINAL SIGNED BY CHIEF

ADMINISTRATIVE OFFICER

**Lanie Hurdle, Chief
Administrative Officer**

Consultation with the following Members of the Corporate Management Team:

Jennifer Campbell, Commissioner, Community Services	Not required
Neil Carbone, Commissioner, Corporate & Emergency Services	Not required
David Fell, President & CEO, Utilities Kingston	Not required
Desirée Kennedy, Chief Financial Officer & City Treasurer	
Jenna Morley, City Solicitor	
Ian Semple, Commissioner, Transportation & Infrastructure Services	Not required

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Background

Council Report [24-204](#) outlined the operation and capital plans for 309 Queen Mary Road. The property has since been re-addressed as 315 Queen Mary Road. Report 24-204 directed that the property will offer a transitional housing program, operated by HBH to support up to 35 individuals who are 55+ years old, alongside a primary health care clinic operated by KCHC. Part of the 315 Queen Mary Road space will also operate as community use space(s) whose operations will be overseen by Lionhearts Inc. as part of a vocational training program, to be managed through a licence agreement with the City. Report 24-204 included the renovation of space for the operation of these programs. Renovations are expected to be completed in the short-term for both the KCHC and HBH spaces, with their occupancy expecting to begin in July 2026 and the occupancy of the community use space to occur subsequently. KCHC and HBH will be entering into separate leases for their spaces with the City, as outlined in Report 24-204.

Analysis

As HBH and KCHC will be entering into lease agreements with the City, property taxes would otherwise be due and borne by the organization and/or sponsoring City departments. An exemption from paying municipal property taxes will relieve KCHC and HBH from additional property tax charges for their period of occupancy as well as reduce the City’s associated funding requirements which shall assist with the long-term sustainability of the important services provided to the community.

Existing Policy/By-Law

Municipal Act, 2001, Section 110 (6)

Notice Provisions

The Clerk will 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).

Financial Considerations

The total value of the property tax exemption has not been assessed. The lease agreements associated with KCHC and HBH are gross (all inclusive) leases, whereas any property tax expenses would be borne by the sponsoring City department’s operating budget.

Contacts:

Brandon Forrest, Director, Business, Real Estate & Environment, 613-546-4291 extension 2205

Heather Scrannage, Manager, Real Estate, 613-546-4291 extension 1323

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Other City of Kingston Staff Consulted:

Jeff Walker, Manager, Taxation & Revenue

Exhibits Attached:

Exhibit A Draft Municipal Capital Facility By-Law- KCHC

Exhibit B Draft Municipal Capital Facility By-Law- HBH

By-Law Number 2026-XX

A By-Law to Authorize an Agreement for the Provision of a Municipal Capital Facility at 315 Queen Mary Road, 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 Community Health Centres, as tenant, intends to lease premises from The Corporation of the City of Kingston, as landlord (the “City”), at the property municipally known as 315 Queen Mary Road, Kingston (the “Premises”), for purposes of a health services facility (the “Lease”); and

Whereas Council is desirous of including terms in the Lease with respect to the Tenant’s provision of a municipal capital facility at the Premises;

Therefore be it resolved that the Council of The Corporation of the City of Kingston hereby enacts as follows:

1. Pursuant to Section 110 of the *Municipal Act, 2001* the City is authorized to enter into the Lease with the Tenant containing terms for the provision of a municipal capital facility for health services at the Premises, in accordance with Section 2(1)(10) of Ontario Regulation 603/06.
2. The Premises are exempt from taxation for municipal and school purposes. This By-Law does not operate to exempt from taxation for municipal and school purposes any other leasehold interest, tenancy, sublease, licence, user or other interest held by any other tenant, subtenant, licensee, or user of the Premises.
3. This By-Law shall be deemed repealed:
 - (a) If the City ceases to own the Premises without having assigned the Lease to the new owner of the Premises;

(b) If the Tenant ceases to use the Premises for purposes of the provision of health services; or

(c) When the Lease, or any renewal or extension of the Lease, expires or is otherwise 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

Janet Jaynes

City Clerk

Bryan Paterson

Mayor

By-Law Number 2026-XX

A By-Law to Authorize an Agreement for the Provision of a Municipal Capital Facility at 315 Queen Mary Road, 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 municipal housing project facilities, provided that the municipality has enacted a municipal housing facility by-law that complies with the requirements of Ontario Regulation 603/06; and

Whereas Council for the Corporation of the City of Kingston (the “City”) enacted City of Kingston By-Law 2003-61, *Municipal Housing Facilities By-Law*, which complies with the requirements of Ontario Regulation 603/06;

Whereas Home Base Housing, as tenant, intends to lease premises from the City at the property municipally known as 315 Queen Mary Road, Kingston (the “Premises”), for purposes of a transitional supportive housing facility (the “Lease”); and

Whereas Council is desirous of including terms in the Lease with respect to the Tenant’s provision of a municipal capital facility at the Premises;

Therefore be it resolved that the Council of The Corporation of the City of Kingston hereby enacts as follows:

1. Pursuant to Section 110 of the *Municipal Act, 2001* the City is authorized to enter into the Lease with the Tenant containing terms for the provision of a municipal capital facility for municipal housing project facilities at the Premises, in accordance with Section 2(1)(18) of Ontario Regulation 603/06.
2. The Premises are exempt from taxation for municipal and school purposes. This By-Law does not operate to exempt from taxation for municipal and school purposes any other leasehold interest, tenancy, sublease, licence, user or other interest held by any other tenant, subtenant, licensee, or user of the Premises.

3. This By-Law shall be deemed repealed:
- (a) If the City ceases to own the Premises without having assigned the Lease to the new owner of the Premises;
 - (b) If the Tenant ceases to use the Premises for purposes of the provision of municipal housing project facilities; or
 - (c) When the Lease, or any renewal or extension of the Lease, expires or is otherwise 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

Janet Jaynes

City Clerk

Bryan Paterson

Mayor