

Special Committee of the Whole Report

DATE: Wednesday, April 08, 2020

WARD(S): ALL

TITLE: TEMPORARY RENT RELIEF FOR NOT-FOR-PROFIT CITY TENANTS

FROM:

Nick Spensieri, Deputy City Manager, Infrastructure Development
Michael Coroneos, Deputy City Manager, Corporate Services and Chief Financial Officer

ACTION: DECISION

Purpose

To seek Council approval to defer collection of rent and any proportionate share of operating and maintenance costs (collectively “**Rent**”) for not-for-profit tenants and licensees (collectively “**Tenants**”) of City-owned properties for a period of three (3) months (April to June 2020).

Report Highlights

- All City facilities to remain closed until further notice for the safety of our residents and to help prevent the spread of COVID-19. The COVID-19 global pandemic has significantly impacted the Vaughan community, placing additional financial strains on not-for-profit organizations.
- The City currently has 45 Tenants, 16 of whom are not-for-profit organizations. Currently, the City collects approximately \$75,000.00 monthly from its Tenants in Rent, \$26,000.00 of which is paid by Tenants which are non-profit organizations.
- Staff recommend the deferral of three (3) months’ (April to June 2020) Rent for not-for-profit Tenants.

Recommendations

1. That a By-law be enacted authorizing Staff to defer monthly Rent payments for not-for-profit Tenants within City-owned facilities for three (3) months (April to June 2020).

Background

The City of Vaughan continues to implement precautionary measures to ensure public safety in response to COVID-19. Vaughan City Hall and all other City facilities have closed their doors to the public until further notice. These actions were taken by the City to break the chain of transmission of this global pandemic.

On Friday March 27, 2020, we advised our Tenants of the City closures, and we suggested our Tenants follow suit. This letter also provided notice to any organizations using City-owned facilities of the restrictions contained in the provincial emergency orders. We recognize the economic hardship that these closures have placed on our not-for-profit partners and as such Staff are recommending that we defer Rent payments for a period of three months to lessen that economic hardship.

Previous Reports/Authority

N/A

Analysis and Options

At present, the City has 45 Tenants, of which 16 are not-for-profit organizations.

Guided by Regulations 51/20 and 52/20 under the *Emergency Management and Civil Protection Act*, enacted March 18, 2020, that ordered all facilities providing indoor recreational programs to close and prohibit all organized public events of more than 50 people, we have encouraged Tenants of City facilities to follow the example of those locally, nationally and internationally, and refrain from being open to the public unless deemed an essential service by the Province of Ontario.

The City of Vaughan is committed to keeping citizens and businesses informed in its ongoing efforts to respond to the global COVID-19 pandemic. We recognize that these not-for-profit organizations provide a vital service to the community and as such, Staff recommend supporting them during this unprecedented crisis.

Should Council approve the recommendation to defer Rent, all not-for-profit Tenants will be notified directly via e-mail/letter of the Rent deferral offered by the City.

Should the closure persist beyond June, Staff will review options and report back to Council.

Financial Impact

The deferral of Rent will not have an impact on the City, except for a minor cash-flow variation. The City will endeavor to mitigate expenses where and if possible during this period.

Broader Regional Impacts/Considerations

N/A

Conclusion

Not-for-profit Tenants of City facilities have been impacted by the closures necessitated by COVID-19. Staff recommend the deferral of Rent for three months (April to June 2020) to lessen the economic hardship on those not-for-profit organizations.

Should the closure persist beyond June, Staff will review options and report back to Council.

For more information, please contact: Paul Salerno, Senior Manager of Real Estate

Attachments

N/A

Prepared by

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