

THE CITY OF TORONTO

City Clerk's Division

Minutes of the Special Meeting of the Administration Committee

Meeting No. 8

Monday, May 14, 2001.

The Administration Committee met on Monday, May 14, 2001, in Committee Room 2, 2nd Floor, City Hall, Toronto, commencing at 9:44 a.m.

Attendance

Members were present for some or all of the time periods indicated.

| | 9:44 a.m. to 1:20p.m. | In-Camera 10:07 a.m. to 11:20a.m. |
|---|-----------------------|---|
| Councillor Lorenzo Berardinetti, Chair | X | X |
| Councillor Sandra Bussin | X | X |
| Councillor Rob Ford | X | X |
| Councillor Doug Holyday | X | X |
| Councillor David Miller | X | X |
| Councillor Frances Nunziata Vice-Chair | X | X |
| Councillor Sherene Shaw | X | X |
| Councillor David Soknacki | X | X |

8-1. Moving Ahead With The Master Accommodation Plan (MAP) Disposition Of Metro Hall and MAP Financial Analysis of Alternatives.

The Administration Committee had before it the following:

- (1) joint report (May 7, 2001) from the Chief Administrative Officer and the Commissioner of Corporate Services, entitled "Moving Ahead with the Master Accommodation Plan (MAP) and the Disposition of Metro Hall" wherein it is recommended that:

- (1) City Council authorize that:

- (a) the budget for MAP Phase II be changed from the previously approved \$38.2 million to \$43.2 million; and

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- (b) the previously approved City Hall Main Floor renovations project be reduced in scope, such that the amount of \$5 million be redirected from the \$7.7 million previously approved by City Council, to Phase II of the Master Accommodation Plan;
- (2) Option 1(a) for the disposal of Metro Hall as described in this report be approved, subject to successful negotiations being completed between the City and the Toronto District School Board (TDSB) on the City's purchase of the TDSB administrative buildings at 140 Borough Drive and 5050 Yonge Street;
- (3) the City-owned property commonly known as Metro Hall at 55 John Street be declared surplus to municipal requirements and that the property be offered for sale without an asking price through the City appointed real estate consultant/brokers, Royal LePage Commercial Inc., on the open market subject to the appropriate lease and/or leaseback arrangements with the City and the Toronto District School Board (TDSB), and that all steps necessary to comply with Chapter 213 of the City of Toronto Municipal Code be taken;
- (4) the Commissioner of Corporate Services be directed to conclude negotiations with the Toronto District School Board (TDSB) on the purchase of the TDSB's administrative buildings at 140 Borough Drive and 5050 Yonge Street, and to report the proposed details directly back to Council for its consideration;
- (5) the Commissioner of Corporate Services be authorized to negotiate the terms of a conditional lease with the Toronto District School Board (TDSB) in respect of a portion of Metro Hall, the terms and conditions of which are to be based on the prevailing market conditions, and to report the proposed details directly back to Council for its consideration;
- (6) the Commissioner of Corporate Services be directed to continue to monitor the Downtown office market for any class "B" office buildings which may be offered for sale and could accommodate the South District office space needs and report thereon with recommendations for appropriate actions to the Administration Committee;
- (7) the Consulting/Listing Agreement between the City and Royal LePage Commercial Inc. for the marketing and sale of Metro Hall be extended for a period of six (6) months from the date that Council approves this report;
- (8) the KiiA Architecture Inc./Rice Brydone Ltd. contract with the City be amended to delete the portion of the services relating to construction management and the contract value not to exceed \$4.8 million be adjusted to a contract value not to exceed \$4.24 million;

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- (9) the City enter into a contract with BFC Construction Limited for construction management services for Phase II of the Master Accommodation Plan with a contract value of 2 percent of the total construction costs not to exceed \$560,000;
 - (10) the City enter into a sole-source contract with BFC Construction Limited for the general expenses portion of the construction management process for a contract value not to exceed \$2.5 million; and, the Commissioner of Corporate Services be authorized to allocate an upset limit of \$2.5 million of the previously approved \$38.2 million as a cash allowance for that purpose; and
 - (11) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto; and
- (2) joint confidential report (May 7, 2001) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer respecting the Master Accommodation Plan and Financial Analysis of Alternatives, such report to be considered in-camera having regard that the subject matter relates to the security of the property of the municipality.

On motion by Councillor Holyday, in accordance with the Municipal Act, the Administration Committee met privately to hear a presentation from the Director of Development, Policy and Research, Finance Department, having regard that the subject matter of the presentation relates to the security of the property of the municipality.

The Chief Administrative Officer, the Commissioner of Corporate Services and the Director of Development, Policy and Research, Finance Department gave a presentation to the Administration Committee respecting the foregoing matter and filed a copy of their presentation material.

The following persons appeared before the Administration Committee in connection with the foregoing matter:

- Mr. Richard Majkot, COTAPSAI, and filed a written submission in regard thereto; and
- Ms. Ann Dembinski, CUPE Local 79, and filed a written submission in regard thereto.

The following Members of Council appeared before the Administration Committee in connection with the foregoing matter:

- Councillor Anne Johnston, Eglinton-Lawrence;

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- Councillor Ron Moeser, Scarborough East;
 - Councillor Howard Moscoe, Eglinton-Lawrence; and
 - Councillor Jane Pitfield, Don Valley West.
- A. Councillor Soknacki moved, on behalf of Councillor Pitfield, that the Administration Committee request:
- (1) the Commissioner of Corporate Services to report on:
 - (a) the use of consultants (other than consulting architects) in terms of number of individuals, special skills provided and contract duration; and
 - (b) the total expenditures for staff moving costs and realty commissions payable in relation to planned purchase and sale of buildings; and
 - (2) the Chief Financial Officer and Treasurer to report on:
 - (a) providing financial data separately for operating budget impacts and Capital cash flows; and
 - (b) on no new funds (\$9.3M) being approved for MAP unless supported by a cost benefits analysis showing incremental savings to justify spending \$9.3M extra funding. **(Referred)**
- B. Councillor Soknacki moved that the Administration Committee recommend to Council the adoption of the confidential joint report (May 7, 2001) from the Chief Administrative Officer and the Chief Financial Officer and Treasurer, subject to amending Recommendation No. (1), such amendment to remain in-camera having regard that the subject matter relates to the security of the property of the municipality. **(Carried)**
- C. Councillor Soknacki moved that the Administration Committee recommend to Council the adoption of the joint report (May 7, 2001) from the Chief Administrative Officer and the Commissioner of Corporate Services. **(Carried as amended)**

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- D. Councillor Ford moved that the foregoing motion C. by Councillor Soknacki be amended by striking out the following words from Recommendation No. 2 and No. 4 embodied in the joint report (May 7, 2001) from the Chief Administrative Officer and the Commissioner of Corporate Services, "140 Borough Drive". **(Lost)**
- E. Councillor Miller moved that the Administration Committee defer consideration of this matter until such time as the following reports are prepared and circulated two weeks prior to any meeting in regard thereto:
- (1) the Commissioner of Corporate Services be requested to report on:
 - (a) the Analysis of MAP Office Space mentioned in the presentation made by the Commissioner of Corporate Services and the Chief Administrative Officer at the special meeting of the Administration Committee held on May 14, 2001;
 - (b) proposals with respect to art and artistic elements of Metro Hall;
 - (c) citizen space needs, including public meeting space and assembly space and space for volunteers/voluntary organizations;
 - (d) staff needs such as meeting and training rooms;
 - (e) a transit accessibility plan and an accessibility plan for any proposed additional/new space;
 - (f) support needs for Council, including meeting rooms;
 - (g) the accommodation and service business plan in detail; and
 - (h) appropriate staff meetings with representatives of CUPE Local 79 and COTAPSAI on any and all concerns raised by these organizations; and **(Referred)**
 - (2) the Chief Financial Officer and Treasurer and the City Solicitor be requested to report on the procedure required to issue a debenture secured against Metro Hall. **(Referred)**

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- F. Councillor Bussin moved that the Commissioner of Corporate Services be requested to report on the design of both the North York Board of Education Building and the Scarborough Board of Education building, and that Members of the Administration Committee be requested to view the various sites in question including the various clusters. **(Referred)**

Councillor Berardinetti appointed Councillor Nunziata as Acting Chair and vacated the Chair.

- G. Councillor Berardinetti moved that the Administration Committee refer all requests for reports to the respective City Officials for report thereon directly to Council for its meeting scheduled to be held on May 30, 2001. **(Carried)**

Councillor Berardinetti resumed the Chair.

- H. Councillor Miller moved that the Administration Committee vote separately on all of the Recommendations embodied in the joint report (May 7, 2001) from the Chief Administrative Officer and the Commissioner of Corporate Services. **(Carried)**

Upon the question of the adoption of Recommendation No. (1) embodied in the joint report (May 7, 2001) from the Chief Administrative Officer and the Commissioner of Corporate Services, **it was lost on a tie vote.**

Upon the question of the adoption of Recommendation No. (2) embodied in the aforementioned joint report, **it was carried.**

Upon the question of the adoption of Recommendation No. (3) embodied in the aforementioned joint report, **it was lost on a tie vote.**

Upon the question of the adoption of Recommendation No. (4) embodied in the aforementioned joint report, **it was lost.**

Upon the question of the adoption of Recommendation No. (5) embodied in the aforementioned joint report, **it was carried.**

Upon the question of the adoption of Recommendation No. (6) embodied in the aforementioned joint report, **it was lost on a tie vote.**

Upon the question of the adoption of Recommendation No. (7) embodied in the aforementioned joint report, **it was lost.**

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Upon the question of the adoption of Recommendation No. (8) embodied in the aforementioned joint report, **it was carried.**

Upon the question of the adoption of Recommendation No. (9) embodied in the aforementioned joint report, **it was carried.**

Upon the question of the adoption of Recommendation No. (10) embodied in the aforementioned joint report, **it was carried.**

Upon the question of the adoption of Recommendation No. (11) embodied in the aforementioned joint report, **it was carried.**

The Decision of the Administration Committee, therefore, is as follows:

The Administration Committee:

(I) recommended to Council:

(A) the adoption of the following Recommendations Nos. (2), (5), (8) to (11) embodied in the joint report (May 7, 2001) from the Chief Administrative Officer and the Commissioner of Corporate Services:

“(2) Option 1(a) for the disposal of Metro Hall as described in this report be approved, subject to successful negotiations being completed between the City and the Toronto District School Board (TDSB) on the City’s purchase of the TDSB administrative buildings at 140 Borough Drive and 5050 Yonge Street;

(5) the Commissioner of Corporate Services be authorized to negotiate the terms of a conditional lease with the Toronto District School Board (TDSB) in respect of a portion of Metro Hall, the terms and conditions of which are to be based on the prevailing market conditions, and to report the proposed details directly back to Council for its consideration;

(8) the KiiA Architecture Inc./Rice Brydone Ltd. contract with the City be amended to delete the portion of the services relating to construction management and the contract value not to exceed \$4.8 million be adjusted to a contract value not to exceed \$4.24 million;

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- (9) the City enter into a contract with BFC Construction Limited for construction management services for Phase II of the Master Accommodation Plan with a contract value of 2 percent of the total construction costs not to exceed \$560,000;
 - (10) the City enter into a sole-source contract with BFC Construction Limited for the general expenses portion of the construction management process for a contract value not to exceed \$2.5 million; and, the Commissioner of Corporate Services be authorized to allocate an upset limit of \$2.5 million of the previously approved \$38.2 million as a cash allowance for that purpose; and
 - (11) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto;"; and
- (B) the adoption of the Recommendation of the Administration Committee contained in the confidential communication (May 14, 2001) from the City Clerk, entitled "Master Accommodation Plan – Financial Analysis of Alternatives";
- (II) reported to Council that adoption of the following Recommendations Nos. (1), (3), (4), (6) and (7), embodied in the joint report (May 7, 2001) from the Chief Administrative Officer and the Commissioner of Corporate Services were voted on, which lost and a number of which lost on a tie vote:
- “(1) City Council authorize that:
- (a) the budget for MAP Phase II be changed from the previously approved \$38.2 million to \$43.2 million; and
 - (b) the previously approved City Hall Main Floor renovations project be reduced in scope, such that the amount of \$5 million be redirected from the \$7.7 million previously approved by City Council, to Phase II of the Master Accommodation Plan;

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- (3) the City-owned property commonly known as Metro Hall at 55 John Street be declared surplus to municipal requirements and that the property be offered for sale without an asking price through the City appointed real estate consultant/brokers, Royal LePage Commercial Inc., on the open market subject to the appropriate lease and/or leaseback arrangements with the City and the Toronto District School Board (TDSB), and that all steps necessary to comply with Chapter 213 of the City of Toronto Municipal Code be taken;
 - (4) the Commissioner of Corporate Services be directed to conclude negotiations with the Toronto District School Board (TDSB) on the purchase of the TDSB's administrative buildings at 140 Borough Drive and 5050 Yonge Street, and to report the proposed details directly back to Council for its consideration;
 - (6) the Commissioner of Corporate Services be directed to continue to monitor the Downtown office market for any class "B" office buildings which may be offered for sale and could accommodate the South District office space needs and report thereon with recommendations for appropriate actions to the Administration Committee;
 - (7) the Consulting/Listing Agreement between the City and Royal LePage Commercial Inc. for the marketing and sale of Metro Hall be extended for a period of six (6) months from the date that Council approves this report; and
- (III) referred the following motions to the respective City Officials for report thereon directly to Council for its meeting scheduled to be held on May 30, 2001:

Moved by Councillor Miller:

- “(1) The Commissioner of Corporate Services be requested to report on:
- (a) the Analysis of MAP Office Space mentioned in the presentation made by the Commissioner of Corporate Services and the Chief Administrative Officer at the special meeting of the Administration Committee held on May 14, 2001;
 - (b) proposals with respect to art and artistic elements of Metro Hall;
 - (c) citizen space needs, including public meeting space and assembly space and space for volunteers/voluntary organizations;
 - (d) staff needs such as meeting and training rooms;

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- (e) a transit accessibility plan and an accessibility plan for any proposed additional/new space;
 - (f) support needs for Council, including meeting rooms;
 - (g) the accommodation and service business plan in detail; and
 - (h) appropriate staff meetings with representatives of CUPE Local 79 and COTAPSAI on any and all concerns raised by these organizations;
- (2) the Chief Financial Officer and Treasurer and the City Solicitor be requested to report on the procedure required to issue a debenture secured against Metro Hall.”

Moved by Councillor Pitfield:

- “(1) the Commissioner of Corporate Services be requested to report on:
- (a) the use of consultants (other than consulting architects) in terms of number of individuals, special skills provided and contract duration;
 - (b) the total expenditures for staff moving costs and realty commissions payable in relation to planned purchase and sale of buildings; and
- (2) the Chief Financial Officer and Treasurer be requested to report:
- (a) providing financial data separately for operating budget impacts and Capital cash flows; and
 - (b) on no new funds (\$9.3 M) being approved for MAP unless supported by a cost benefits analysis showing incremental savings to justify spending \$9.3 M extra funding.”

Moved by Councillor Bussin:

“The Commissioner of Corporate Services be requested to report on the design of both the North York Board of Education Building and the Scarborough Board of Education building, and that Members of the Administration Committee be requested to view the various sites in question including the various clusters.”

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(Commissioner of Corporate Services; Chief Financial Officer and Treasurer; City Solicitor: c. Chief Administrative Officer; Chief Financial Officer and Treasurer – May 14, 2001)

(Clause No. 1 – Report No. 8)

The Committee adjourned its meeting at 1:20 p.m.

Chair