

Clause embodied in Report No. 7 of the Economic Development and Parks Committee, as adopted by the Council of the City of Toronto at its Special Meeting held on July 30, 31 and August 1, 2002.

16

**Canada Malting Site - 5 Bathurst Street  
(Ward 20 Trinity-Spadina)**

*(City Council at its Special Meeting held on July 30, 31 and August 1, 2002, amended this Clause by inserting the words “including local residents”, after the words “various stakeholders”, in Recommendation No. (1) of the report dated June 14, 2002, from the Commissioner of Corporate Services, as amended by the Economic Development and Parks Committee, so that such recommendation now reads as follows:*

*“(1) as a result of the termination of the MCI Master Agreement and the progress that has been made respecting planning for the redevelopment of the Waterfront, staff from Economic Development, Culture and Tourism, in consultation with various stakeholders, including local residents, be directed to report to the Economic Development and Parks Committee and the Waterfront Reference Group, on the appropriate next steps for the Canada Malting Site;”.)*

**The Economic Development and Parks Committee recommends the adoption of the following report (June 14, 2002) from the Commissioner of Corporate Services, subject to amending Recommendation No. (1) to read as follows:**

**“(1) as a result of the termination of the MCI Master Agreement and the progress that has been made respecting planning for the redevelopment of the Waterfront, staff from Economic Development, Culture and Tourism, in consultation with various stakeholders, be directed to report to the Economic Development and Parks Committee and the Waterfront Reference Group, on the appropriate next steps for the Canada Malting Site;”.**

Purpose:

To provide an update on Metronome Canada Incorporated (“MCI”) and recommended next steps for the Canada Malting Site.

Financial Implications and Impact Statement:

There are no financial impacts associated with this report.

### Recommendations:

It is recommended that:

- (1) as a result of the termination of the MCI Master Agreement and the progress that has been made respecting planning for the redevelopment of the Waterfront, staff from Corporate Services, in consultation with various stakeholders, be directed to report to the Waterfront Reference Group on the appropriate next steps for the Canada Malting Site; and
- (2) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

### Background:

The former City of Toronto Council, at its meeting held on October 6 and 7, 1997, adopted as amended, Clause No. 119 of Report No. 23 of The Executive Committee, thereby authorizing the execution of a Master Agreement which included an agreement to lease the Canada Malting Complex to MCI on certain conditions. Subsequently, Council at its meeting of July 6, 7, and 8, 1999, adopted Clause No. 11 of Report No. 1 of The Administration Committee authorizing the amendment of the Master Agreement by extending the milestone dates. The City and MCI entered into a Master Agreement dated March 30, 1999 and an Amending Agreement dated August 26, 1999, pursuant to those authorities.

Pursuant to the Master Agreement, as amended, MCI was to provide evidence of capital funding in the amount of \$10 Million by February 28, 2000. As MCI did not do so pursuant to the terms thereof, the amended Master Agreement was effectively terminated.

City Council, at its meeting of June 7, 8 and 9, 2000, adopted with amendments, Clause No. 8 of Report No. 13 of The Administration Committee granting MCI a time extension to February 28, 2001 to satisfy a condition of the amended Master Agreement relative to securing \$10 Million in capital funding, such extension to be the final extension granted.

City Council, at its regular meeting held on October 3, 4, and 5, 2000 and its Special Meetings held on October 6, 2000, October 10 and 11, 2000, and October 12, 2000, adopted Clause No. 17 of Report No. 9 of The Economic Development and Parks Committee, thereby clarifying the composition of the \$10 Million in capital funding to be secured by February 28, 2001 or the proposed deal be cancelled. Council further directed that all commitments for cash donations, sponsorships, financing, donated construction materials and donated professional services must be irrevocable and in writing, from third parties acting in good faith. A second Amending Agreement setting out the terms outlined above was prepared.

At its meeting on June 26, 27 and 28, 2001, City Council adopted Clause No. 9 of Report No. 6 of The Economic Development and Parks Committee, authorizing the extension of the deadline to December 31, 2001 to allow MCI to continue negotiations with the Provincial and Federal governments to obtain funding for this project and further requesting staff to report on the possibility of severing a portion of the land at this site and other alternative usage for the site.

Comments:

MCI Status:

MCI has continued negotiations with the Provincial and Federal governments, however, there were delays in announcing funding decisions regarding the Ontario SuperBuild and Canada-Ontario Infrastructure Programs. By the deadline date of December 31, 2001, MCI did not provide evidence that it had fulfilled the financial obligations pursuant to the terms of the amended Master Agreement. Accordingly, City staff advised MCI that the lease was terminated effective December 31, 2001. By letter dated January 28, 2002, Mr. John Harris, President of MCI advised that it did not choose to request an extension of the aforementioned deadline.

At the request of Mr. Harris, a meeting was held on site on May 8, 2002, attended by City staff from Parks and Recreation, Culture, Facilities and Real Estate, Real Estate Law, Planning and the Waterfront Group. Mr. Harris advised that Metronome Canada did not receive financial support from the Ontario SuperBuild Program, but that he was hopeful of the upcoming funding announcements from the Canada-Ontario Infrastructure Program. Mr. Harris announced Panasonic Canada as Lead Sponsor and its \$5 Million commitment comprised of \$2.5 Million in cash and another \$2.5 Million in product (i.e., electronic equipment, speakers, etc.) over a ten-year period. City staff requested a further breakdown of the sponsorship commitment but this has not been provided. Mr. Harris advised that although \$14.2 Million has been raised through in-kind support, cash, donations and commitments and construction trade donations, this does not conform to the breakdown required by the City pursuant to the amended Master Agreement. Attached as Appendix "A" is a listing of Contributions from All Sources (as of April 16, 2002), as provided by Mr. Harris.

Mr. Harris requested continued City support for the Metronome project and that consideration be given to the ongoing capital fund raising progress made to date so as not to jeopardize the Lead Sponsor commitment. MCI continues to have great interest in securing this site for Canada's Music City and would like to come forward at an appropriate time when it has secured sufficient funding. However, Mr. Harris clearly understands that the amended Master Agreement was terminated effective December 31, 2001 and any ongoing actions he takes is without benefit of a Master Agreement.

Next Steps:

The planning for the redevelopment of the Waterfront has advanced significantly since the Metronome proposal was originally approved. The Interim Protocol for the Waterfront Lands controls the sale or lease of City-owned properties. The protocol requires that lands be reviewed by the Waterfront Reference Group which determines the impact of a real estate transaction on the Waterfront Vision. The formation of the Toronto Waterfront Revitalization Corporation, to be legislated in September 2002, may impact ownership and redevelopment pursuant to the Waterfront Vision.

The Canada Malting Site has been identified as a cultural landmark in the Waterfront Plan. However, staff have not had the opportunity to examine the cultural plan in context with the importance of the silos, the priority and preservation of the buildings, or had an opportunity to consult with the community. The current workgroup represented by staff from EDCT, Facilities and Real Estate, Legal, Finance, the Mayor's Office, the CAO's Office, Planning and the Waterfront Group need to meet and formulate a workplan for the site pursuant to the Waterfront Vision. These issues also need to be addressed in consultation with the Waterfront Reference Group.

Conclusions:

The amended Master Agreement between the City and MCI was effectively terminated on December 31, 2001. Given the interest in the waterfront and the formation of the Toronto Waterfront Revitalization Corporation, the City stakeholders need to review alternatives for the Canada Malting Site in context with the overall redevelopment of the Waterfront and report to the Waterfront Reference Group on the appropriate next steps for the site.

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(Copies of the Site Map and Appendix "A", entitled "Contributions from All Sources (as of April 16, 2002)" referred to in the foregoing report were forwarded to all Members of Council with the June 27, 2002 agenda, which was rescheduled to July 16, 2002, of the Economic Development and Parks Committee, and copies thereof are also on the file in the office of the City Clerk.)