

Executive Committee

Meeting No.	15	Contact	Patsy Morris, Committee Administrator
Meeting Date	Monday, November 26, 2007	Phone	416-392-9151
Start Time	9:30 AM	E-mail	pmorris@toronto.ca
Location	Committee Room 1, City Hall		

ITEMS TO BE INTRODUCED

EX15.41	ACTION			
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Revenue Sharing Fairness of Woodbine Racetrack Slot Machine and Gaming Revenue

(November 19, 2007) Member Motion from Councillor Palacio, seconded by Councillor Pantalone

Recommendation

1. That the City Manager, in consultation with appropriate City staff, report to the January, 2008 meeting of the Executive Committee on the feasibility of negotiating a larger percentage of the slot machine revenue dedicated to the City from Woodbine Racetrack.

Summary

Woodbine Racetrack is one of 17 free-standing racetrack slot facilities in Ontario. It is owned by the Woodbine Entertainment Group, but operated by the Ontario Lottery and Gaming Corporation (OLG). The recent \$700 Million project just approved by Council will create the largest and most exciting entertainment complex in the City of Toronto, a new entertainment heart of the City, as thousands of residents flock to this complex, will generate hundreds of millions of dollars in new gaming revenue.

Under the current revenue-sharing formula Toronto receives a paltry 2.7% of the gross gaming revenue derived from slot machines, as compared to a minimum 10% for all other stakeholders.

According to City Staff, in 2006, the distribution of revenues from the Woodbine slot operation, a total estimated of \$550 million, was:

- City of Toronto \$14.8 million or 2.7%
- Woodbine Entertainment Corp \$55 million or 10% (est)
- Horse breeders \$55M or 10% (est)
- Ministry of Health’s Problem Gambling Strategy \$11 million or 2% (est)
- Province inc. General Revenue and Ontario Trillium Foundation \$414 million (est)

Council must work with the Provincial Government and OLG to amend this unfair and antiquated agreement. If the formula was changed to provide the City with a more equitable percentage of the gross revenue for all new slot machines created under this expansion for example, the City would receive literally hundreds of millions of dollars in new revenue. The City should at least be seeking a formula similar to First Nation’s agreements that see all net revenues distributed to first nations communities for economic and community development. This is an opportunity to help resolve the revenue imbalance between the Province and the City at only an opportunity cost to the Province.

The below recommendation has been discussed with and is agreeable to the City Manager, City Solicitor and Chief Financial Officer.

Communications

(November 20, 2007) Member Motion from Councillor Palacio (EX.Supp)
<http://www.toronto.ca/legdocs/mmis/2007/ex/comm/communicationfile-4695.pdf>

EX15.42	ACTION			Ward: All
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New Property Tax Classes for Big Box Stores and Gas Stations - Potential New Revenues for Toronto

(November 19, 2007) Member Motion from Councillor Palacio, seconded by Councillor Pantalone

Recommendations

1. The City Manager include in upcoming discussions with the Province regarding the City of Toronto Act, the feasibility of permitting the City to establish a new commercial tax class for big box stores and gas stations; and
2. Depending upon the results of Recommendation 1, consideration be given to creating a new tax class for parking lots in the City of Toronto.

Summary

Big box retail stores threaten neighbourhood small business strips and encourage a car culture that is counterproductive to many of Council’s priorities. These big box stores are currently taxed at the same rate as their small business competitors. Big box retailers also often have on-site parking not available to many small businesses. The parking advantage enjoyed by big box retailers is also not taxed at the proper rate and encourages applicants to expand parking as much as physically possible, with no incentive to create more landscaping, or use the site

efficiently, which gives them a further untaxed advantage over small business. The City of Toronto should have the option to tax big box stores at a different rate to account for these factors.

Steep price escalation by the gas station industry is rampant in Toronto, and is taking place without the significant intervention of any level of government. There is often a substantial cost to the City in terms of mitigating the negative impacts of these uses on the surrounding communities, and lost tax revenue opportunities because of the low tax rate that this land use enjoys. Furthermore, gas stations, after they cease being gas stations very often have to be remediated at an extremely slow rate that means lost revenue for the City for decades as the land remains vacant. The City of Toronto should have the option to tax gas stations at a different rate to account for these factors.

The pending two year review of the City of Toronto Act provides the opportunity to request the Province to make changes to the Act to provide more flexibility to the City in the area of property tax policy.

Communications

(November 21, 2007) Member Motion from Councillor Palacio (EX.Supp)
<http://www.toronto.ca/legdocs/mmis/2007/ex/comm/communicationfile-4710.pdf>

EX15.43	ACTION			Ward: All
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Artscape Capital Loan Guarantee

(November 21, 2007) Report from the Deputy City Manager and Chief Financial Officer and the Deputy City Manager, Sue Corke

Recommendations

The Deputy City Manager and Chief Financial Officer and the Deputy City Manager, Sue Corke recommend that:

1. a. the City approve an extension of the capital loan guarantee on behalf of Artscape to its financial institution in the reduced amount of \$300,000 (inclusive of all interest payable by Artscape), commencing on January 1, 2008 and ending on December 31, 2010 for the Distillery District Studios; and
- b. the City approve a capital loan guarantee on behalf of Artscape to its financial institution in the amount of \$3,500,000 (inclusive of all interest payable by Artscape), commencing on January 1, 2008 and ending on December 31, 2010 for the Wychwood/Green Arts Barn project; and
- c. the City enter into two agreements with Artscape with respect to capital loan guarantees; and

- d. the City enter into two tri-party agreements with Artscape and its financial institution(s) with respect to the capital loan guarantees;
2. such guarantees and all related agreements be on terms and conditions satisfactory to the City Solicitor, the Deputy City Manager and Chief Financial Officer and the Deputy City Manager Sue Corke;
3. the Deputy City Manager and Chief Financial Officer be requested to negotiate appropriate and adequate safeguards, to the satisfaction of the City Solicitor, with the City being promptly advised in the event of default or delay in the payment of interest;
4. the City retain the right to withhold a portion of outstanding grants that the City may provide to Artscape over the term of the loan if it is not retired or renegotiated by December 31, 2010;
5. Artscape provide the Deputy City Manager and Chief Financial Officer with their 2007 to 2010 inclusive audited financial statements when they become available;
6. the two guarantees be deemed to be in the interest of the municipality; and
7. the appropriate officials be authorized to take the necessary action to give effect thereto.

Financial Impact

Issuance of a line of credit guarantee is considered to be a financial commitment of the City. However, there is no direct cost to the City for providing this guarantee unless the organization defaults on its obligation and the City cannot recover the funds beyond any grant funding to Artscape withheld by the City.

As a safeguard for the City, the current agreement provides that the City can withhold part of the grant to the Artscape in the event of a default and it is being recommended that this provision be continued in the renewal. In 2007, the City provided Artscape with an operating grant of \$253,800.

Summary

This report seeks Council approval for two capital loan guarantees for Artscape in the amounts of \$300,000 for the Distillery District Studios and \$3,500,000 for the Wychwood/Green Arts Barn project respectively from January 1, 2008 until December 31, 2010.

Background Information

Artscape Capital Loan Guarantee

(<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-8933.pdf>)

EX15.44	ACTION			Ward: All
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City Participation in Review of Provincial Integrated Power System Plan and Procurement Processes

(November 21, 2007) Report from the Chief Corporate Officer Bruce Bowes, Deputy City Manager Richard Butts and City Solicitor Anna Kinastowski

Recommendations

The Chief Corporate Officer, Deputy City Manager and the City Solicitor recommend that:

1. Council ratify the interim steps taken to date by the City Solicitor to seek Intervenor status from the OEB in order for the City to participate as an Intervenor in Phase 1 of the Ontario Power Authority's application for review and approval of the Integrated Power System Plan and the Ontario Power Authority's procurement processes;
2. Deputy City Manager Richard Butts in consultation with the City Solicitor, the Manager, Energy Efficiency Office and the Director, Toronto Environment Office, provide no later than December 13, 2007 written comments on the issues to be considered by the OEB during Phase 2 of the review of the IPSP and procurement process, to address the matters outlined in Appendix "C" to this Report;
3. Deputy City Manager Richard Butts report back to Council with respect to the City's participation in Phase 2 of the application, including a recommendation regarding necessary resources and cost;
4. authority be delegated to Deputy City Manager Richard Butts, in consultation with the City Solicitor, to sole-source the necessary legal counsel and consulting services to either represent the City or to advise City staff with respect to Phase 1 of the Ontario Power Authority's application; and
5. the appropriate City staff be authorized to take any action necessary to give effect thereto.

Financial Impact

The OEB may choose to proceed with Phase 1 of the Ontario Power Authority's application by way of written or oral hearing. The OEB will not hold a written hearing if a party satisfies the OEB that there is good reason for holding an oral hearing. The OEB instructed intervenors to indicate in their letter of intervention the intervenor's preference for a written or oral hearing, and the reason for that preference.

The City has indicated its preference for a written hearing; however, various intervenors representing a variety of interests have indicated a preference for an oral hearing. It is not possible at this time to predict whether there will be an oral hearing. If an oral hearing is ordered by the OEB, and if it is necessary for the City to be represented at those hearings, it may be necessary to retain a law firm or other consultants to either represent the City or to advise City staff.

Funding of up to \$50,000 for outside legal and consulting services, as required, with respect to any issues arising from the review of the proposed issues list as noted in the body of this report, will be provided from the Better Buildings Partnership Program, included in the Sustainable Energy Plan 2008 Recommended Capital Budget.

Deputy City Manager Richard Butts will report back to Council with recommendations regarding the City's participation in Phase 2 of the application, including recommendations regarding necessary resources and cost, which will likely be substantial. At that point, Council will make decision as to the City's further involvement in Phase 2.

The City may apply to the OEB for recovery of its costs reasonably incurred in the course of its intervention in this proceeding under the OEB's Practice Direction on Cost Awards.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

Summary

This report seeks Council's confirmation of the City's participation as an intervenor in Phase 1 of the Ontario Energy Board ("OEB") review of the Integrated Power System Plan ("IPSP") and Ontario Power Authority ("OPA") procurement process; and provides staff with instructions to submit to the OEB, no later than December 13, 2007, written comments on the draft issues list for Phase 2 of the review of the IPSP and OPA procurement process.

Background Information

City Participation in Review of Provincial Integrated Power System Plan and Procurement Processes

<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-9052.pdf>

Appendix A - Ontario Power Authority Issues List

<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-9053.pdf>

Appendix B - Supply Mix Directive

<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-9054.pdf>

Appendix D - Letter dated November 13, 2007 from the City Solicitor addressed to Ontario Energy Board and Ontario Power Authority

<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-9055.pdf>

EX15.45	ACTION			Ward: 28
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Changing the Blevins Retrofit Capital Project to 30 Regent Street

(November 19, 2007) Report from the General Manager, Children's Services

Recommendations

The General Manager recommends that:

1. the Blevins Child Care Centre Retrofit Project, currently included in Children's Services' 2008 Recommended Capital Budget, with a total project cost of \$1.650 million be changed to the Regent Park Child Care Centre Replacement Project; and
2. the General Manager of Children's Services be delegated authority to execute an agreement on behalf of the City with the Toronto Community Housing Corporation for the design and construction of a child care centre at 30 Regent Street and such agreement be on terms and conditions satisfactory to the General Manager and in a form satisfactory to the City Solicitor.

Financial Impact

Children's Services' 2008 Recommended Capital Budget and 2009 – 2012 Capital Plan includes total funding of \$1.650 million (2008 and 2009) for the Blevins Child Care Centre Retrofit project to accommodate infants and toddlers from the Regent Park Day Care Centre that will be demolished by March 2009 as a result of the Regent Park Revitalization Initiative. The Blevins Child Care Centre Retrofit project will be replaced by the Regent Park Child Care Centre Replacement project with no change in project cost.

The Chief Financial Officer and Deputy City manager has reviewed this report and concurs with the information provided.

Summary

The purpose of this report is to change the Blevins Child Care Retrofit project (included in Children's Services' 2008 Recommended Capital Budget), located at 56 Blevins, to the Regent Park Child Care Centre Replacement project, located at 30 Regent Street. This project is intended to replace the Regent Park Child Care Centre, currently located at 600 Dundas Street West that will be displaced as a result of Phase 2 of the Regent Park Revitalization Initiative.

This report also seeks authority, subject to the approval of Children's Services' 2008 Capital Budget, to enter into a contract with Toronto Community Housing Corporation for the design and construction of the Regent Park Child Care Centre Replacement located at 30 Regent Street.

Background Information

Changing the Blevins Retrofit Capital Project to 30 Regent Street
(<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-8928.pdf>)