

Union Station Revitalization Implementation

Date:	October 29, 2008
To:	Executive Committee
From:	Chief Corporate Officer
Wards:	Ward 28, Toronto Centre-Rosedale
Reference Number:	P:\2008\Internal Services\F&re\Ec08086F&re - (AFS 6721)

SUMMARY

This report requests authority to continue with the design for the revitalization of Union Station and the Northwest PATH connection. In addition, this report seeks authority to terminate the current building management agreement with The Toronto Terminals Railway Company Limited (TTR) and transfer the duties to the City.

It is important for City Council to adopt the recommendations to allow staff to continue with the design process by extending the consultants contracts.

Further to City Council's direction respecting the implementation of the Northwest PATH, there will be continuing discussions with property owners and the establishment of funding arrangements.

At the Executive Committee on November 10, 2008, the Chief Corporate Officer will present the revitalization scheme showing plans, elevations, cross sections and the pedestrian modelling, including a video.

RECOMMENDATIONS

The Chief Corporate Officer recommends that City Council approve the following recommendations:

1. Authorize the Chief Corporate Officer to continue the design and tender documentation to implement the first stage of the Recommended Approach for the revitalization of Union Station, including the West Wing.

2. Authorize the Chief Corporate Officer, further to Council's initial direction in December, 2007, to extend the services of the following consultants/professionals (excluding GST) as indicated below:
 - (a) extend the retainer of Davies Ward Phillips & Vineberg LLP for legal work on this file at a cost not to exceed \$450,000;
 - (b) extend the retainer of Deloitte & Touche LLP at a cost not to exceed \$800,000;
 - (c) extend the retainer of Arup Canada Inc. at a cost not to exceed \$300,000; and
 - (d) extend the retainer of NORR Limited Architects & Engineers (with Fournier, Gersovitz and Moss, Architects (FGMA) as the heritage consultants) at a cost not to exceed \$6.9 million.

3. Authorize the Chief Corporate Officer to:
 - (a) execute an amendment to the Building Management Agreement with The Toronto Terminals Railway Company Limited to provide for a 3% management fee increase for the period January 1, 2009 to April 30, 2009;
 - (b) provide for the Agreement to terminate on April 30, 2009 and for the services and leases to be assumed by Facilities and Real Estate; and
 - (c) approve funding in the amount of \$13.182 million gross, \$0 net, included in the 2009 Recommended Operating Budget for Facilities and Real Estate as shown in Attachment 1 (all revenues are 100% from leases with no property tax implications).

4. Authorize the Chief Corporate Officer to carry out the following security-related initiatives:
 - (a) enter into a Transit Secure Round 3 & 4 Amendment to the existing Transit Secure Agreement with Transport Canada;
 - (b) implement all phases of the Transit Secure project which will include video surveillance (in accordance with the City's Security Video Policy, the proposed installation of video surveillance in high profile locations must be reported to Council) ;
 - (c) subject to performance satisfactory to the Chief Corporate Officer, exercise the option(s) to renew the G4S Security Services (Canada) Ltd. Agreement for the provision of security guard services at Union Station for 2009-2010 and 2010-2011;
 - (d) extend the retainer of Marshall Macklin Monaghan (with Goldsmith Borgal and Company Ltd. Architects) in the amount of \$300,000 to complete life safety projects design and contract administration for life safety projects under the Transit-Secure Agreement; and
 - (e) extend the retainer of PCL Constructors Canada Inc. in the amount of \$4.8 million for the completion of the life safety projects under the Transit-Secure Agreement.

5. Authorize the Chief Corporate Officer and the General Manager of Transportation Services to negotiate and enter into agreements with private landowners regarding tunnel connections, property requirements, security and maintenance related to the new Northwest PATH, in a form satisfactory to the City Solicitor.
6. Authorize the Chief Corporate Officer to amend the existing Reciprocal Rights Agreement and enter into such other documentation with GO Transit, as may be necessary, to permit the atrium roof, as illustrated in Attachment 2, to encroach into the City's air space above the existing Trainshed roof, on such terms and conditions as the Chief Corporate Officer deems appropriate, and in a form satisfactory to the City Solicitor.
7. Authorize the Chief Corporate Officer, on terms and conditions satisfactory to the Chief Corporate Officer and in a form satisfactory to the City Solicitor to negotiate and enter into a long-term agreement of up to 20 years on a single-source basis with Enwave Energy Corporation in order to provide a Deep Lake Water Cooling system for Union Station.
8. That the Executive Committee receive the presentation from the Chief Corporate Officer.

Financial Implications

The 2009 Recommended Operating Budget for Facilities and Real Estate includes an amount of \$13.182 million gross, \$0 net to provide for the proposed management service model for Union Station, as detailed in Attachment 1. The proposal is to assume property management of the Station, previously provided by The Toronto Terminal Railways Company Limited (TTR). TTR will fund the full costs of the model; for a net \$0 impact to the City. Although it would be prudent to refer this report to the Budget Committee for consideration with the City's 2009 Operating Budget process, it is recommended that this amendment be approved. The proposed model requires funding beginning in January, 2009.

The 2009 Recommended Capital Budget for Union Station includes funding for the consulting fees requested for the design of the Northwest PATH (\$4 million) and revitalization consultants (\$9.2 million). This work is needed to continue to allow for the coordination and integration of the City's work at the Station with the other transportation operators' construction schedules commencing in 2010.

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

DECISION HISTORY

At its meeting of July 25, 26 and 27, 2006, Council adopted several recommendations pertaining to the revitalization project. The most comprehensive of these directed the City Manager to convene an interdivisional staff team, engage expert consultants as required to review models for the restoration and continued operation of Union Station, and consult with the Station's stakeholders, including GO, VIA and the TTC to bring forward a new strategy for the revitalization of Union Station.

(<http://www.toronto.ca/legdocs/2006/agendas/council/cc060725/pof6rpt/cl011.pdf>)

Since then staff prepared two reports related to the revitalization of Union Station. These reports are available online at the following links:

<http://www.toronto.ca/legdocs/mmis/2007/ex/bgrd/backgroundfile-8803.pdf>

<http://www.toronto.ca/legdocs/mmis/2007/cc/bgrd/ex15.2a.pdf>

The decision document from the Council meeting on December 11, 12, and 13, 2007 Council (<http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-12-11-cc15-dd.pdf>) defines on pages 41-44 inclusively, the authorization to proceed with a variety of tasks and to report back to Executive Committee. Council's direction included the selection of the consultants for the project and the establishment of their contracts on a phased basis. Staff is requesting the extension of these contracts for the next phase of the project.

A report on the Northwest PATH facility was dealt with by City Council at its meeting of April 28 and 29, 2008. The report is available on-line at:

(<http://www.toronto.ca/legdocs/mmis/2008/pw/bgrd/backgroundfile-11855.pdf>)

ISSUE BACKGROUND

The Recommended Approach as outlined in the November and December 2007 reports and adopted by Council will provide GO Transit with two connected passenger concourse areas solely for GO Transit use. These concourses will provide improved commuter access directly to the train platforms, adjacent streets, the PATH, the TTC subway, the GO bus terminal and potentially a proposed new bus terminal being considered by Metrolinx. Below the concourse areas would be additional pedestrian circulation routes and retail space accessible from the existing PATH network, Bay, Front and York Streets as well as the TTC subway station. The Recommended Approach would involve the restoration of the Great Hall, the VIA concourse and the extension of the public walkway and associated retail through the East Wing. City staff has worked to ensure that facilities planned for both GO Transit and VIA Rail meet their operational and corporate needs and will continue to work closely with their staff.

COMMENTS

Extension of Consultant procurement agreements

In December, 2007, Council approved the initial phase of the consultants' contracts. The fees are based on standard professional fee scales from groups such as the Professional Engineers Ontario and the Ontario Association of Architects. In order to meet the project milestones, with respect to work within the West Wing for tenant offices, the overall revitalization program, coordination with GO Transit's capital work and the TTC's second platform project, it is recommended that architectural, real estate/financial, transportation planning, and legal services current contracts be extended. The firms and the rationale for doing so are discussed below.

All the professional firms noted below have extensive experience and knowledge of the station. To not continue with their services would severely delay the City's ability to participate in the coordination of the transit operators' construction projects. The cost to the City to hire new consultants would be prohibitive both from a scheduling and financial perspective. Therefore, it is the recommendation of staff to continue with the overall Recommended Approach and the existing consultants.

1. Architectural Design – NORR Limited Architects & Engineers

The first component of work resulting from the completion of schematic design for the Recommended Approach has been completed and coordinated with the Head Lessee selection process, security enhancements, heritage restoration and state of good repair. Staff has also worked closely with the other transportation operators within the Station and with federal staff responsible for administering the Heritage Easement Agreement in order to define an architectural program to address the requirements of all. The Design Development Stage, or Stage 1 of the Recommended Approach, is the next stage which builds on the Schematic Design and develops the details and requirements, obtains approvals from authorities having jurisdiction both City and Federal, and reconfirms the Construction Budget. This 9 month stage should generally be completed prior to starting Working Drawings and Specifications. Staff is proposing, however, that the Working Drawings and Specifications be advanced 6 months into Design Development, which is approximately 50% into this Stage, to meet the January 2010 start.

NORR and FGMA have been involved in the development of Union Station through the production of the Heritage Structures Report 2003, the Building Condition Audit 2006 and the NORR initial design study done in 2006 in conjunction with Deloitte for the Real Estate Development Concept. Their combined knowledge and expertise in the architectural and heritage restoration field is essential to the success of the revitalization proposal.

NORR Limited Architects & Engineers is a large integrated architectural and engineering firm and a leader in the field of transportation planning and design with the in house resources to carry out this assignment within the required time constraints. NORR

Limited Architects & Engineers is also familiar with Union Station as a result of the feasibility studies carried out over the past several years with the City and prior work with the TTC. NORR Limited Architects & Engineers has undertaken many design assignments of complex transportation facilities, including work associated with the redevelopment of Toronto Pearson International Airport. FGMA have been recommended as the architectural heritage consultant due to their extensive knowledge of the Station, having completed both the Heritage Structure Report and the Building Condition Audit of Union Station and ongoing work with Parks Canada through their restoration work with the Federal Government.

During the past year NORR Architects and Engineers have determined that the excavation for the new retail concourse is feasible from a structural and cost perspective. Over the next 6 months the structural system recommended will be fully developed as the overall structural system for the building. The extended column system will provide improved ceiling heights in both the retail and GO Transit concourse areas and yield an increase of 6% in the retail area. This solves a number of concerns that the operators had. The new columns have an improved structural capacity which allows the engineers to confirm that the construction of the “dig down” and the simultaneous construction of the new train shed roof will not be an issue. On the basis of these results it has been decided to continue to work on the Recommended Approach using smaller and structurally sound columns throughout the area to be excavated.

Appointment of NORR Limited Architects & Engineers to continue with the detailed design development work in consultation with an architectural heritage consultant (FGMA) to provide a Heritage Impact Statement and a Conservation Strategy at a cost of \$6.9 million is recommended.

2. Transportation Planning – Arup Canada Inc.

Arup Canada Inc. was initially hired in 2001 to review the City’s proposed functional plan and pedestrian movement within the area. Their continuous involvement over the last 7 years, modeling the various design options for pedestrian movement through the Station has given them an in depth ability to advise the City on past and future design alternatives. The pedestrian model that Arup has developed is an invaluable resource to the City and will be used in the ongoing work.

In 2009 Arup Canada Inc., will develop pedestrian circulation plans that address the proposed construction phasing plan. Arup will work with all the operators of the Station to ensure that a safe and adequate level of pedestrian access is maintained to and from the Station during all phases of construction.

It is recommended that Arup Canada Inc. continue to be retained to undertake further pedestrian flow analyses. Arup has previously modeled and analysed Union Station pedestrian flow for existing and forecast conditions using their proprietary software (“MassMotion”). Their application has proven to be a valuable resource in the pedestrian planning work undertaken to-date at Union Station. Transportation Planning, GO Transit,

TTC and VIA Rail all have confidence in Arup's ability to expedite the assignment. Additional work may also need to be undertaken on a cost shared basis with the Air Canada Centre to ensure that pedestrian movement into and around the Station addresses issues related to the volumes of pedestrian traffic generated by events. It is recommended that the Chief Corporate Officer in consultation with the Chief Planner extend Arup's retainer at a cost not to exceed \$300,000.

3. Greening Union Station

Enwave's deep lake water cooling system uses the coldness from lake water to cool buildings in place of conventional electricity driven chillers. Deep lake water cooling uses approximately 75 percent less electricity than conventional chillers and this technology supports the City's programs to reduce electricity use especially in the capacity constrained downtown core. Steam would continue to be provided from Enwave's district energy system. It is recommended that the Chief Corporate Officer be directed to negotiate long term agreements with Enwave to provide a deep lake water cooling system for Union Station. Funding for the deep lake water cooling system is included in the Recommended 2009 Capital Plan.

4. Northwest PATH Design Services

The purpose of this new PATH connection will be to relieve existing pedestrian congestion, support Union Station revitalization and future downtown growth, and accommodate pedestrian activities generated by GO Transit's service expansion over the next twenty years. GO Transit has indicated that the construction of the new northwest PATH pedestrian connection will be critical to the phasing of their operational improvement program, including a key component of station revitalization that includes opening of the west GO (York Street) concourse area in Union Station, and must move forward to design and implementation on an urgent basis. This project is targeted for 2012, with actual timing to be confirmed through the detailed design and costing phase.

The program set out in this report takes into account the NW PATH, including the proposed cost-sharing arrangement with GO Transit.

Concurrent with the design phase, there is a need to continue discussions with property owners who may be impacted by this project. Key stakeholders that the City needs to enter into negotiations with, but not be limited to, include property owners at 70 York Street, 100 Wellington Street, and the Fairmont Royal York Hotel.

It is recommended that a consulting engineering firm be retained to provide engineering services, inclusive of further sub-surface utility engineering studies, detailed design, contract preparation for tendering of a construction contract for the Northwest PATH, as well as contract administration and site services and post-construction work. It is recommended that the Executive Director of Technical Services, in consultation with the City Solicitor and Chief Corporate Officer, enter in to an RFP process in 2009 at a cost not to exceed \$4 million for the design and tender documentation.

4. Transit Secure Implementation

The Transit Secure project, jointly funded by the City of Toronto and Transport Canada is developing a security program for public safety at Union Station. The Transit Secure project will include video surveillance equipment and the program will be implemented according to City policy.

The Council-approved amendment to the Building Management Agreement with TTR contemplated the City taking back security guard services. In order to continue to receive funding under the Transit Secure project, it is necessary for the City to enter into a Round 3 & 4 Amending Agreement with Transport Canada.

Staff has executed a contract for the design, heritage approvals and contract administration for the security enhancements at Union Station as approved in the Transit-Secure contribution agreements with Transport Canada. Funding for Round 3 and 4 security enhancements are included in the 2009 Recommended Capital Plan.

There are several projects in progress at Union Station including security enhancements, contracted to PCL Constructors Canada Inc., and life safety enhancements being designed by Marshall Macklin Monaghan. Both of these projects require further services and it is recommended to extend their contracts by \$4.8 million and \$300,000 respectively.

5. Head Lessee Selection

A call for Expressions of Interest was undertaken resulting in a selection of Qualified Potential Lessees (QPL). Discussions were held with all the QPL's, letters of intent were subsequently requested through a formal process and submissions were received in October 2008. Deloitte & Touche LLP are now engaged in detailed negotiations which will lead to a formal bid offer process to select a head lessee and to negotiate a long term lease agreement. In accordance with Council's direction in December 2007, a report will be submitted recommending a head lessee for Union Station. This report is currently scheduled for submission to Council in the spring of 2009. This necessitates extending the retainer of Deloitte & Touche LLP at a cost not to exceed \$800,000.

6. TTR Building Management Agreement

Under a month-to-month Building Management Agreement with the City, the Toronto Terminals Railway Company Limited (TTR) has continued to address the operational needs of Union Station since the City acquired ownership in June, 2000. As the Building Management Agreement was only intended to be a short-term interim arrangement, the Agreement is terminable by either party upon 5 months' prior written notice.

As authorized by City Council, the Building Management Agreement was most recently amended to provide for a fee increase for the period ending December 31, 2008 and to permit the City to assume direct responsibility and control of security of the Station, which the City is taking over effective November 1, 2008.

It is now appropriate for the City to assume direct responsibility for managing all aspects of the Station, effective May 1, 2009. TTR agrees that the City should take over management of the Station. It is recommended, therefore, that the Building Management Agreement be amended to increase the fee payable to TTR for the period January 1, 2009 to April 30, 2009 by 3%, to cover TTR's increased costs in 2009 and that the Agreement be terminated effective April 30, 2009. Details of the City's plans to manage the Station are set out in Attachment 1.

Conclusion

As approved by Council, the continuation of this work will allow the project to advance to the next stage. Staff will report back in the spring of 2009 on the conclusions of the funding sources, governance, business model and the recommended head lessee.

CONTACT

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SIGNATURE

Bruce Bowes, P. Eng., Chief Corporate Officer

ATTACHMENTS

Attachment 1: 2009 Operating Budget
Attachment 2: GO Transit Trainshed Atrium Proposal
Attachment 3: Northwest PATH - Preferred Alternative

ATTACHMENT 1: 2009 OPERATING BUDGET

Management of Union Station – Transition Plan

The City acquired Union Station in 2000 from the Toronto Terminal Railways Company Limited (TTR) who the City retained to provide maintenance, custodial care, security and property management services under a building management agreement. TTR wishes to hand over the management of Union Station to the City in 2009. The City has already made arrangements to take over responsibility for security effective November 1, 2008. Facilities and Real Estate will take over responsibility for management of the Station including arranging for maintenance, custodial care and property management services in 2009. An operating budget of \$13.182 million gross, \$0 net will be established within the City's financial framework to enable the Program to manage the Station. The operating budget is reflected in the following table:

Salaries /Cost of Contracted Services	\$	3,504,424
Materials and Supplies		4,037,577
Equipment		100,000
Services and Rents		5,540,104
Sources of Revenue		(13,182,105)
Grand Total	\$	<u>0</u>

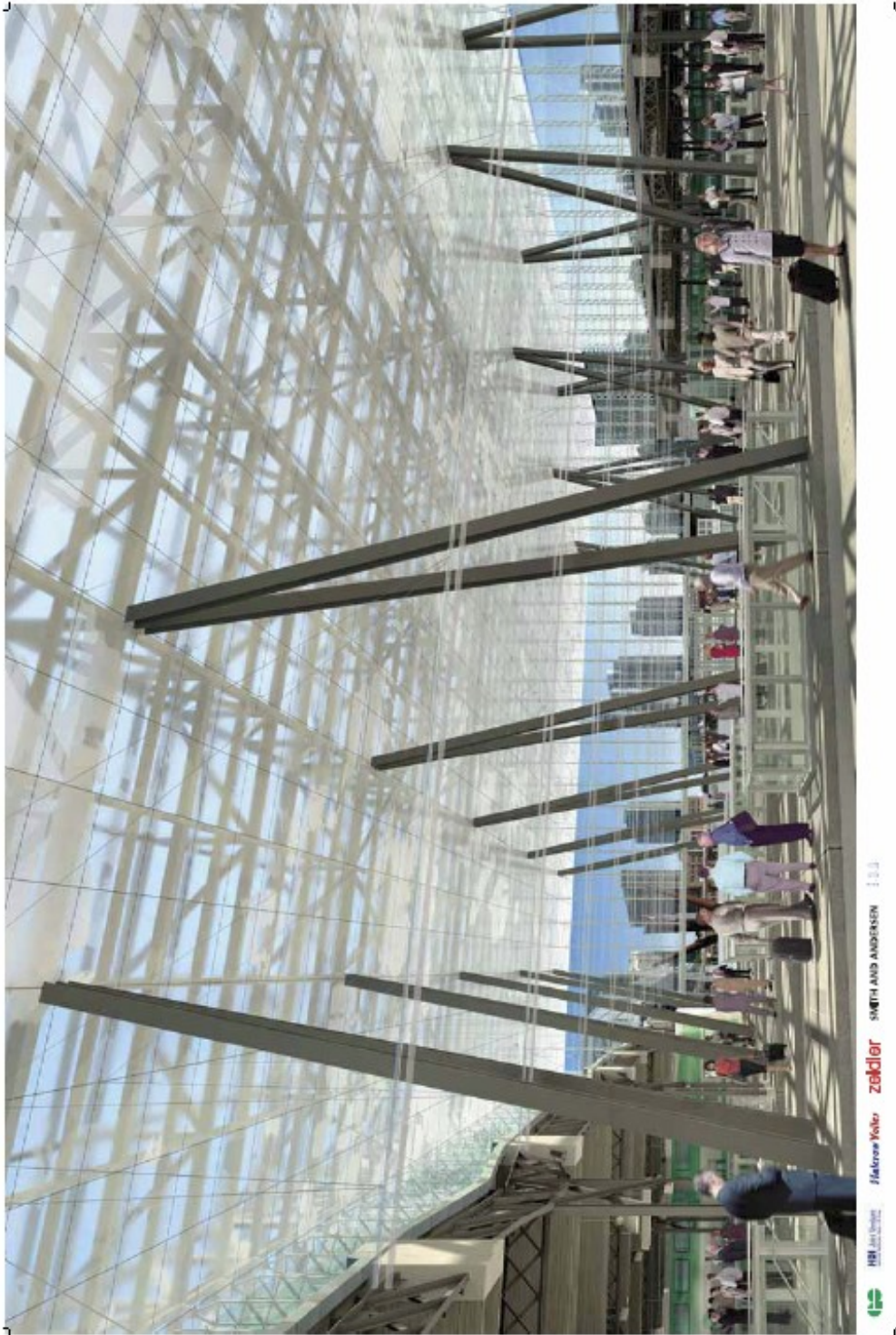
Management of Union Station – Proposed Service Model

The City of Toronto, Facilities & Real Estate Division will establish five functional units to manage Union Station as follows:

- (1) Custodial Care - arrange for pest control, and cleaning the exterior and interior areas of the property excluding: retail mall floor grid, leased moats and teamways, elevators and escalators, the Skywalk outside the west wall of Union Station, any portion of the property that relates to the actual rail operations of GO Transit, VIA Rail and other rail companies including the rail corridor, track and platform, train shed, and stairways beyond the top security doors separating the platform from the Building.
- (2) Facilities Maintenance – arrange for the maintenance, heating, cooling, and lighting to City of Toronto maintenance standards, arrange for general maintenance and small capital repairs to the property based on a detailed preventative maintenance schedule.
- (3) Design, Construction, & Asset Preservation – oversee all large capital state of good repair projects based on a prescribed capital plan.
- (4) Security Services - establish a full time security monitoring and surveillance presence at the Station including operating a Command Centre and maintaining a disaster recovery plan.

(5) Property Management – manage tenant relations, collection of rents, site events, verify and assess risk related issues including tenant insurance, utilities, accounting and management of funds, budgets, and all financial reporting requirements.

ATTACHMENT 2: GO TRANSIT TRAINSHED ATRIUM PROPOSAL



INTERIOR PERSPECTIVE – PROPOSED GO TRAINSHED ATRIUM



SMITH AND ANDERSEN 10.11
zeldler
Markov Kolar
1000 North Dearborn Street
Chicago, IL 60610
312.467.1000
www.zeldler.com

GO Trainshed Roof Perspective – showing the proposed Atrium

ATTACHMENT 3: NORTHWEST PATH - PREFERRED ALTERNATIVE

