



STAFF REPORT ACTION REQUIRED

St. Lawrence Market Precinct Update

Date:	October 26, 2015
To:	Government Management Committee
From:	Chief Corporate Officer
Wards:	Ward 28 – Toronto Centre-Rosedale
Reference Number:	P:\2015\Internal Services\RE\Gm15044re (AFS# 21823)

SUMMARY

The purpose of this report is to provide the Government Management Committee with a response to the questions from the Budget Committee on August 31, 2015. Updated information will be provided on the hours of operations, the St. Lawrence Market North redevelopment and the status of negotiations with the St. Lawrence Market South vendors.

RECOMMENDATIONS

The Chief Corporate Officer recommends that:

1. The Government Management Committee receive this report for information.

Financial Impact

There is no financial impact resulting from the receipt of this report.

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

DECISION HISTORY

City Council (September 30, 2015) adopted the Operating Variance Report for the Six-Month Period Ended June 30, 2015.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.EX8.22>

At its meeting on August 31, 2015, the Budget Committee requested the Chief Corporate Officer to report back prior to the 2016 Budget process respecting three items.

The Budget Committee decision can be found through the following hyperlink:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.BU10.2>

At its meeting on June 15, 2015, the Government Management Committee received the report "Redevelopment of St. Lawrence Market North - Status Update"

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2015.GM5.17>

At its meeting on March 31, 2010, City Council adopted the new lease agreements with sixty-five (65) tenants.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2010.GM29.9>

ISSUE BACKGROUND

St. Lawrence Market (South) has been operating as a food market and shopping venue for over one-hundred (100) years. The St. Lawrence Market South currently has sixty-five (65) vendors selling a range of food products, including fruits and vegetables, fish, meats, grain, baked goods, dairy products, fast food and unique non-food items. The St. Lawrence Market South draws a wide support from the community and customers across the Greater Toronto Area, as well as tourists.

COMMENTS

At its meeting on August 31, 2015, the Budget Committee requested the Chief Corporate Officer to report back prior to the 2016 Budget process respecting:

- a. the context in which the main facility at St. Lawrence Market remains closed on Sundays, despite the fact that this is a major tourist and community destination.
- b. an update on the near \$100 million capital investment planned for St. Lawrence North Market because of its role as a tourist destination and community and City of Toronto asset.
- c. an update on the negotiations between the City of Toronto and the vendors at St. Lawrence Market.

The following information is provided in response to the Budget Committee request of August 31, 2015:

a. The context in which the main facility at St. Lawrence Market remains closed on Sundays, despite the fact that this is a major tourist and community destination

The St. Lawrence Market South building hours of operation are as follows:

Day(s)	Hours
Tuesday to Thursday	8:00 am – 6:00 pm
Friday	8:00 am – 7:00 pm
Saturday	5:00 am – 5:00 pm
Sunday & Monday	Closed

The City of Toronto manages the hours of operation as per the clause outlined in the previous lease dated January 1, 1999 as stated below:

The City of Toronto (the "Landlord") covenants that the hours of operation of the Market shall not be changed or amended in any manner unless there has been prior consultation with an agreement of a majority of the member of the Tenants' Association.

Staff will be negotiating for the removal of *'a majority of the member of the Tenant's Association'* contained in prior leases with the St. Lawrence Market South vendors. The majority of tenants currently do not want to be open on Sundays. It is staffs' negotiating position that the new lease would only require prior consultation on operating hours as it is a normal right for the landlord to control this important aspect of a major land/building asset. The clause will be in effect as of January 1, 2016 for the remainder of the extension option ending December 31, 2019.

b. An update on the near \$100 million capital investment planned for St. Lawrence North Market because of its role as a tourist destination and community and City of Toronto asset.

The St. Lawrence Market North Redevelopment Project is being implemented in 3 major phases as follows:

Phase 1

Design and construction of a Temporary Market Building at 125 The Esplanade and client move. This phase was completed in June 2015.

Phase 2

Demolition of the existing St. Lawrence Market North Building at 92 Front St. including archaeological assessment and environmental remediation of the site in advance of new construction.

The Stage 1 archaeological assessment of the site revealed that the St. Lawrence Market North property has been the home to a market and market activities since at least 1803. The first permanent brick market building was erected on this site in 1831. The north end of the structure served as the Town Hall, and after 1834, the City Hall. The building was subsequently destroyed by the 1849 Toronto fire and replaced with new buildings in 1851, 1904 and the current north market building in 1968.

A Stage 2/3 archaeological assessment of the site was conducted by Golder Associates Ltd. in September 2015. Archaeological evidence for all phases of occupation of the Market has been recovered including foundation piers and a large arched flagstone sewer from the 1831 building, and the original pre-development ground surface preserved within the interior courtyard of the 1831 building.

In light of these significant archaeological findings, the next step is to receive the Official Report on the Stage 3 investigation findings approved by the Provincial Authority Having Jurisdiction. This Report will set the formal requirements for the subsequent required Stage 4 investigation including parameters for recovery of artifacts and mitigation of development impacts to ensure the conservation of structures that are of important historical value in the North St. Lawrence Market Redevelopment site. Following assimilation of this Report and its potential cost and schedule impacts to the project, the project will proceed with Stage 4 investigation. The existing building must be demolished to allow full site access before Stage 4 investigation can safely occur. The City's Archaeology Consultant has advised that this added step will result in project delay of 6 to 12 months depending on the extent and significance of further archaeological findings.

Phase 3

Design and construction of New St. Lawrence Market North Building. The Design Development Stage of the new St. Lawrence Market North Building has been completed. The project is currently in the Bid Documents Stage where City cost checks are required prior to calling for tenders.

The potential cost impact of a 6 to 12 month delay to the project schedule will be assessed upon receipt of the approved Stage 2/3 Archaeological Assessment Report from the Ministry of Tourism, Culture and Sport which will confirm the requirements for Stage 4 archaeological mitigation. Review and approval of the Stage 2/3 Archaeological Assessment Report is anticipated by the end of November 2015.

c. An update on the negotiations between the City of Toronto and the vendors at St. Lawrence Market.

The City of Toronto has 65 tenants in the St. Lawrence Market South. There were a number of contentious items being negotiated, see "Appendix A," as a new standard lease template is being developed.

The hours of operation and the new market rent are the only outstanding items still under negotiations for the new lease template. The leases are in the extension option and a new market rent review has been completed and will be negotiated by January 2016.

CONCLUSION

It is recommended that this report be received for information.

CONTACT

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SIGNATURE

Josie Scioli, Chief Corporate Officer

ATTACHMENTS

Appendix "A" – Major Terms and Conditions
Appendix "B" – Tenant Information
Appendix "C" – Location Map