

Clause embodied in Report No. 8 of the Administration Committee, which was before the Council of the City of Toronto at its meeting held on May 30, 31 and June 1, 2001.

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**Moving Ahead With the Master Accommodation Plan (MAP); Disposition of Metro Hall and MAP Financial Analysis of Alternatives**

*(City Council on May 30, 31 and June 1, 2001, struck out and referred this Clause, together with the following motions, back to the Administration Committee for further consideration, with requests that:*

- (1) the Commissioner of Corporate Services:
  - (a) submit a report to the Administration Committee on the development of a City Hall complex around 100 Queen Street West;*
  - (b) investigate the feasibility of buying a Class 'B' building, larger than 210,000 square feet, central to City Hall;*
  - (c) further investigate both Option 2(a) over a 25-year period and retaining both City Hall and Metro Hall; selling outlying Civic Centres; and, to accommodate district staff, examine the concept of virtual office space and/or purchasing more modest office facilities in the service districts and report thereon to the Administration Committee; and*
  - (d) submit a schedule to the Administration Committee identifying what staff are proposed to be located in each building; and**
- (2) the Administration Committee give consideration to the Mayor establishing a special Committee of Council to guide this process, including the Master Accommodation Plan, through to Council.*

*Motions Referred to Committee:*

*Moved by Councillor Berardinetti:*

*"It is further recommended that:*

- (1) the previously approved funding of \$46.4 million, which included \$38.2 million for Phase II of the Master Accommodation Plan, \$7.7 million for the City Hall main floor renovations and \$0.5 million for the Nathan Phillips Square design competition, be reallocated as follows:*

- (a) *\$43.2 million for Phase II of the Master Accommodation Plan;*
  - (b) *\$2.7 million for the City Hall main floor renovation; and*
  - (c) *\$0.5 million for the Nathan Phillips Square design competition;*
- (2) *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, and that all steps necessary to comply with Chapter 213 of the City of Toronto Municipal Code be taken, including regular reporting to the Administration Committee;*
  - (3) *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;*
  - (4) *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*
  - (5) *the confidential report dated May 28, 2001, from the Commissioner of Corporate Services, be adopted."*

*Moved by Councillor Milczyn:*

*"It is recommended that the Commissioner of Corporate Services be requested to:*

- (1) *submit a report to the Administration Committee on options for the construction of a new Class 'B' office building on City-owned lands adjacent to City Hall;*
- (2) *submit a report to the West District Office Consolidation Group, prior to the end of June 2001, on options for municipal office space in the West District; and*

- (3) *submit a report to the Administration Committee on options to reduce the number of office buildings to be utilized in the East District.”*

*Moved by Councillor Pantalone:*

*“That the Clause be amended by striking out the recommendations of the Administration Committee and inserting in lieu thereof the following:*

*‘It is recommended that:*

- (1) *City Council list Metro Hall for sale (with a possible lease back scenario), subject to a favourable Council decision to purchase or build a 210,000 square foot building not too far from Toronto City Hall;*
- (2) *the actual sale and purchase/build figure be submitted to City Council at the same time, with actual financial figures;*
- (3) *any other purchase be deferred until the Council meeting referred to in Recommendation No. (2), above; and*
- (4) *the Mayor be requested to establish a special Committee of Council to guide this process, including the Master Accommodation Plan report, through to Council.”)*

**The Administration Committee recommends:**

- (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;**
  - (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”.**

**The Administration Committee reports, for the information of Council:**

- (I) 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;
- (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
- (II) having 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;
  - (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.”

**The Administration Committee submits the following 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”:**

Attached please find the report Moving Ahead with the Master Accommodation Plan (MAP) and the Disposition of Metro Hall. This report is before the Administration Committee meeting for May 8, 2001.

The report is an update on the MAP project (approved in the report adopted by City Council in December 1999). It includes a recommendation on the disposition of Metro Hall. A companion report on the financial analysis of the options for the disposition of Metro Hall is also before the Administration Committee, in camera.

The report describes the Council-approved “City Hall and Four Districts” model being used by MAP as the basis for distributing City staff to appropriate locations to ensure effective, efficient delivery of services across the new city and cost-effective use of space. The major activities completed to date to implement MAP are highlighted. The status of the West District study is also discussed.

Major MAP achievements are reported on:

- (1) collapse of existing leases totalling close to 106,000 square feet of space, with an annual saving of over \$2.4 million and the relocation of approximately 450 staff to City-owned space;
- (2) rehabilitation of approximately 120,000 square feet at MAP target locations;
- (3) fitting up the second floor of Metro Hall as swing space for South District and other workgroups awaiting rehabilitation of final target locations; and
- (4) a target allocation plan (who goes where) has been approved by all departments. Work has begun on building-stacking and sequencing plans (who moves when).

The report explains that the scope of work for MAP needs to be expanded. The rationale for expansion, the associated estimated costs and funding sources are identified. The report includes a breakdown of actual expenditures for Phase I and the Phase II expenditures for 2000 and projected cash flows for 2001 to 2003.

The report also recommends that the Commissioner of Corporate Services be authorized to enter into a contract for one construction manager for the entire project. This increases efficiency and flexibility in managing resources and avoids general contracting fees of 10 to 15 percent of the value of construction. It also recommends that the Commissioner be authorized to allocate an upset limit of \$2.5 million of the previously approved \$38.2 million for this project, as a cash allowance for the general expenses portion of the construction management process.

The report confirms that, based on the MAP space analysis, Council and staff can be accommodated at City Hall and MAP district target locations. This can be achieved by redistributing or dispersing workgroups to the North, East and West Districts and by acquiring two Toronto District School Board (TDSB) administration buildings (the former North York and Scarborough buildings). In the short term, South District functions will be located in Metro Hall, occupying 210,000 square feet of space. The final location for South District Service Centre has not been determined.

MAP will generate change, causing disruption and inconvenience to City employees who must adapt to new work locations and environments. While the organization is now largely restructured, many divisional workgroups still need to be consolidated and relocated to headquarters or the four districts. Office space in target locations must be reconfigured and/or densified to accommodate current staffing levels in standardized work environments. Throughout the transition period, City services must continue to be provided to the public without interruption.

On the basis of the financial analysis undertaken by the Chief Financial Officer, this report recommends that Metro Hall be declared surplus as follows:

- (i) sell Metro Hall;
- (ii) lease back 210,000 square feet of Metro Hall on flexible cancellation terms;
- (iii) facilitate lease out of 175,000 square feet of Metro Hall to TDSB;
- (iv) acquire North York and Scarborough TDSB facilities; and
- (v) eventually acquire 210,000 square feet class “B” downtown space (within 2.5 years) and collapse 210,000 square foot Metro Hall lease.

It is recommended that proceeds from the sale of Metro Hall to be applied to 2002 capital pressures, after funds are set aside to cover the acquisition, leasing, leasehold improvement and staff relocation costs.

The report concludes by identifying the next steps in Phase II of MAP, including finalizing building stacking plans for target locations, taking into consideration staff adjacency requirements to ensure effective service delivery. A move sequencing plan, coordinated with construction schedules for target locations, will ensure that staff moves are achieved with minimal disruption to service delivery to the public.

**The Administration Committee submits the following joint report (May 7, 2001) from the Chief Administrative Officer and the Commissioner of Corporate Services, “Moving Ahead with the Master Accommodation Plan (MAP) and the Disposition of Metro Hall”:**

Purpose:

The purpose of this report is:

- (a) to provide an update on the City's Master Accommodation Plan (MAP);
- (b) to present options for the disposition of Metro Hall; and
- (c) to recommend additional measures to meet the City's accommodation needs.

Financial Implications and Impact Statement:

Funds have been included in the approved 2000-2004 Capital Budget in the amount of \$38.2 million for Phase II of the Master Accommodation Plan (MAP), \$7.7 million to implement the approved concept plan for the Main Floor of City Hall, and \$500,000 to hold a design competition for the revitalization of Nathan Phillips Square.

This report identifies that MAP Phase II will have an additional cost estimated at approximately \$9.3 million, resulting from the expanded scope of work and current budget pressures to capitalize staff costs to capital projects. The report recommends that this budget requirement be accommodated in the following manner:

- (1) adjusting the MAP II budget from the previously approved \$38.2 million to \$43.2 million;
- (2) reducing the scope of the previously approved City Hall Main Floor rehabilitation project and redirecting the amount of \$5 million from the \$7.7 million previously approved by City Council for this project component, to MAP Phase II; and
- (3) reallocating previously approved MAP Phase II funds that will be saved through efficiencies gained by utilizing the construction management process recommended in this report (estimated at \$2.7 million) and by reallocating contingency funds set aside for non-construction items (estimated at \$1.65 million).

With respect to the disposition of Metro Hall, a separate confidential report from the Chief Administrative Officer and the Chief Financial Officer and Treasurer provides a financial analysis of the base case and four options. That report concludes that the best financial return for the City is achieved through the sale of Metro Hall under Option 1a as described in that report. The strategy recommends utilizing some of the proceeds from the sale of Metro Hall to offset the acquisition, leasing, leasehold improvement and staff relocation costs associated with reducing the City's occupancy in Metro Hall, in addition to applying some of these funds to offset the 2002 capital budget pressures.

The Chief Financial Officer and Treasurer has reviewed this report and concurs with the financial impact statement.

Recommendations:

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
  - (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;
- (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 two 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.

### Executive Summary:

The MAP project is a significant undertaking for the City. Office consolidation is a critical part of implementing the City's organizational restructuring. While the organization is now largely restructured, many departmental workgroups still need to be consolidated and relocated to their final target locations. Moreover, office space in many of the target locations must be reconfigured and, in some cases, densified to accommodate current staffing levels in standardized work environments.

MAP will continue to generate change, causing disruption and inconvenience to City employees who must adapt to new work locations and environments. At the same time, throughout the transition period, City services must continue to be provided to the public without interruption.

This report highlights the progress made to date on Phase II of the MAP project approved by City Council in December 1999, and includes a recommendation on the disposition of Metro Hall. A separate, confidential report prepared by the Chief Administrative Officer and the Chief Financial Officer and Treasurer provides a financial analysis of the options for the disposition of Metro Hall.

This report briefly describes the Council approved "City Hall and Four Districts" model being used by MAP as the basis for distributing City staff to their appropriate locations across the City. This model will ensure an effective and efficient delivery of services across the new city and the cost-effective use of space. A number of major activities have been completed to date to implement MAP Phase II and these are highlighted. The status of the current West District study is also discussed.

Major MAP achievements are then reported on, including the collapse of existing leases totalling close to 106,000 square feet of space, with a total annual saving of over \$2.4 million for the City and the relocation of approximately 450 staff to City-owned space.

Further, approximately 120,000 square feet of space have been rehabilitated at MAP target locations to accommodate the consolidation and relocation of City staff, including City Hall West Tower Floors 6 to 9 and portions of 2 Civic Centre Court, 18 Dyas Road, 75-81 Elizabeth Street, 112 Elizabeth Street and 1530 Markham Road. As well, the second floor of Metro Hall has been fitted up as swing space to provide temporary accommodation for South District and other workgroups that are awaiting the rehabilitation of their final target locations.

The report explains that the scope of work for MAP Phase II needs to be expanded. The rationale for this expansion, associated estimated costs and the funding sources for this project expansion are identified. With an increased budget requirement of \$9.3 million for the expanded MAP Phase II, the report recommends that the previously approved \$7.7 million for the rehabilitation of the City Hall Main Floor be reduced to \$2.7 million, due to the scope of that project component being scaled down, and that the remaining \$5 million be redirected to partially offset the increased MAP Phase II budget requirement. The report points out that the remaining \$4.3 million shortfall to implement the redefined MAP Phase II can be eliminated by redirecting already approved MAP funds that will be saved elsewhere in the project, subject to Council authorizing the construction management process recommended in this report.

As requested by the Budget Advisory Committee during the City's recent 2001 budget deliberations, this report also includes a breakdown of the actual expenditures for MAP Phase I and the Phase II expenditures for 2000 and projected cash flows for 2001 to 2003.

The report explains that a Request for Proposals (RFP) issued in June 2000 to secure project management, architectural design and construction management services for MAP Phase II was awarded to KiiA Architecture Inc./Rice Brydone Ltd. ("KiiA") and included the services of BFC Construction Limited ("BFC") as the construction management firm. However, to execute separate construction management services for the project, it is recommended that the Commissioner of Corporate Services be authorized to enter into a separate contract with BFC with the contract value of two percent of the total construction costs, not to exceed \$560,000. This approach will enable this firm to act independently in the role of construction manager for the entire project, without a conflict of interest inherent in working as a sub-consultant to KiiA.

The report emphasizes that using this approach will remove the requirement to use general contractors for the project, thus avoiding the normal general contracting fee of 10 to 15 percent of the value of construction. It will also prove to be the most efficient approach to manage construction activities taking place at multiple sites and will provide greater flexibility in shifting resources from site to site as required to meet aggressive work schedules.

In this arrangement, the City requires the ability to allocate an upset of \$2.5 million of the previously approved \$38.2 million MAP Phase II budget as a cash allowance for the general expenses portion of the construction activity. Since this approach would require by-passing the normal purchasing procedures to allow this work to be sole-sourced to BFC, it is also recommended that the City enter into a sole-source contract with BFC 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 for this project, as a cash allowance for this purpose.

The report explains that based on the space analysis undertaken by the MAP Project Team, there is generally sufficient space available at City Hall and the MAP district target locations to accommodate the locational space requirements of the various departmental workgroups. This "fit" will be achieved to a great extent by redistributing or dispersing workgroups to the North, East and West Districts and acquiring two Toronto District School Board (TDSB) administration buildings, namely the former North York and Scarborough School Board buildings located at 5050 Yonge Street and 140 Borough Drive respectively. An update on the City's negotiations with the TDSB on the City's acquisition of these two buildings is provided in the report.

The report explains that, in the short term, South District functions will be located in Metro Hall, occupying 210,000 square feet of space, but the upcoming decisions to be made by City Council about the disposition of Metro Hall will significantly impact the final location for the South District Service Centre.

A financial analysis of Metro Hall is presented in a separate, confidential report from the Chief Administrative Office and the Chief Financial Officer and Treasurer. That report presents a financial analysis of various scenarios or options for the disposition of Metro Hall, using a base case scenario and four options. It indicates that Option 1a (i.e., sell Metro Hall) achieves the best financial return for the City. This option can be described as:

Option 1a for Metro Hall:

- (i) sell Metro Hall;
- (ii) lease back 210,000 square feet of Metro Hall on flexible cancellation terms;
- (iii) facilitate lease out of 175,000 square feet of Metro Hall to TDSB;
- (iv) acquire North York and Scarborough Board of Education facilities; and
- (v) eventually acquire 210,000 square feet class “B” downtown space (within 2.5 years) and collapse 210,000 square foot Metro Hall lease.

Accordingly, this report recommends Council’s adoption of Option 1a for the disposal of Metro Hall and recommends that the Metro Hall property be declared surplus to municipal requirements and be offered for sale, subject to certain leasing arrangements.

To implement MAP Phase II, the report further recommends that 210,000 square feet of space in Metro Hall be leased from the new owners of Metro Hall to accommodate City staff in the short term, and an equivalent amount of class “B” office space be acquired elsewhere in the Downtown area within the next 2.5 years so that the Metro Hall lease can be collapsed. It is also recommended that the City continue to negotiate with the TDSB to acquire the two former North York and Scarborough School Board administrative buildings.

Further, the report highlights that discussions have taken place between City and TDSB staff on the possible utilization of a portion of Metro Hall for the TDSB headquarters. Given that this arrangement would significantly facilitate the timing for staff relocations for both public bodies and it is not likely to negatively impact the sale of Metro Hall, the report recommends that the Commissioner of Corporate Services pursue a conditional lease agreement with TDSB for a portion of Metro Hall.

The report concludes by identifying the next steps to be taken to implement Phase II of the MAP project, including finalizing the building stacking plans for the MAP target locations, taking into consideration staff adjacency requirements to ensure effective service delivery. A move sequencing plan, coordinated with construction schedules for MAP target locations, will then be completed to determine the proper timing of the staff moves to ensure minimal disruption to service delivery to the public.

Background:

At its meeting on December 14, 15 and 16, 1999, City Council adopted Clause No. 1 of Report No. 8 of The Administration Committee, titled “Accommodation Plan and Long-Term Strategy for Service Delivery for the City of Toronto and Master Plan for Office Accommodation”, outlining a short term plan and long term strategy to address the City’s current and future office accommodation needs.

At the same meeting, City Council adopted the Chief Administrative Officer’s report (Clause No. 2 of Report No. 8 of The Administration Committee, titled “Civic Spaces Associated with Civic Centres” which dealt with the City’s civic spaces including the Main Floor of City Hall and the public squares at City Hall and the various civic centres. Council approved, among other things, a concept plan to redesign the Main Floor of City Hall to improve service delivery to the public.

City Council, at its regular meeting 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. 13 of Report No. 19 of The Administration Committee, titled “Master Accommodation Plan - Surplus Toronto District School Boards Administration Facilities”. City Council directed the Commissioner of Corporate Services to submit proposals to the Toronto District School Board (TDSB) for the acquisition of 5050 Yonge Street and 140 Borough Drive. Council also directed the Commissioner of Corporate Services to contact appropriate industry consulting firms for proposals on an approach and recommendations on representing the City for the sale of Metro Hall and to report back on the firm selected, declaring Metro Hall surplus and the marketing strategy for this sale.

Subsequently, at its meeting of March 6, 7 and 8, 2001, City Council adopted Clause No. 10 of Report No. 2 of The Administration Committee to retain Royal LePage in partnership with CIBC World Markets Inc. and Brisbin Brook Beynon Architects to provide consulting and brokerage services for the marketing and sale of Metro Hall. It also requested the real estate brokerage firm 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 bring the buildings to the attention of the Commissioner of Corporate Services for appropriate action and report thereon to the Administration Committee.

In addition, the Budget Advisory Committee, at its March 19, 2001 meeting, requested that the status report on MAP include a breakdown of the previously approved expenditures for Phase I of the City’s office consolidation project and the projected cash flows for MAP Phase II for 2001 and 2002.

Comments:

(1) City Hall and the Four Districts Model:

Before highlighting the progress made to date on Phase II of MAP, it is important to briefly describe the model being used by MAP as the basis for distributing City staff to their appropriate locations across the City to ensure an effective and efficient delivery of

services across the new city and to locate staff in the most cost-effective space. This model approved by City Council in December 1999 is referred to as the “City Hall and the Four Districts” model. Figure No. 1 (attached) illustrates the model and identifies the MAP target buildings located in each district of this decentralized model.

As the seat of government, City Hall serves as the head office of the organization. It will accommodate the Mayor and Council Members and their staff, City Clerk staff providing functional support for the Committee system and City Council operations, and the Executive Management Group consisting of the Chief Administrative Officer, the six Commissioners and their key head office, policy and support staff. In addition to City Hall, two buildings located immediately behind City Hall, at 75-81 Elizabeth Street and 112 Elizabeth Street, will be used to accommodate the spillover of head office staff who need to be located in close proximity to City Hall.

In addition, four districts, namely North, South, East and West will be established to accommodate district functions or operations, with each district containing a District Service Centre located at a former civic centre, as follows:

- (a) South District Service Centre - Metro Hall (210,000 square feet) or Alternate Class “B” Downtown office space.
- (b) North District Service Centre - Former North York Civic Centre.
- (c) East District Service Centre - Former Scarborough Civic Centre.
- (d) West District Service Centre - Former Etobicoke Civic Centre.

Under this decentralized model, the former East York and York Civic Centres will not be used as district service centres, but rather they will be used as target locations for other district functions or to accommodate specialized work units in the short term. The East York Civic Centre will continue to be used as described and, through the West District study, long term options will be presented for the York Civic Centre.

Generally speaking, each of the four District Service Centres will provide public services and district functions serving the public in that particular geographic area. Typically, the district workgroups will be comprised of: Buildings Permits, Children’s Services, City Planning Communications, Community Council Secretariat, Culture, Economic Development, EDCT Policy and Development, Engineering, Facilities and Real Estate Building Management, Fire Prevention, Health, Human Resources, IT local help desk, Legislative Services (marriage and other licences), Licensing and Municipal Standards, Parks and Recreation, Permit Parking, Revenue, Solid Waste Management, Transportation Services, and Water and Waste Water.

The other target locations in each district as shown in Figure 1 will serve as satellite district offices to accommodate other corporate functions on a distributed basis for the following types of staff workgroups:

- (i) transaction processing units;
  - (ii) divisional head offices;
  - (iii) other centralized functional units; and
  - (iv) other workgroups having minimal interaction with the public or specific interaction in a particular field.
- (2) Progress to Date:

There are a number of major activities that have been completed to date to implement MAP Phase II. These activities are described below.

(2.1) Assembling Project Team:

The MAP Project Team has been assembled starting with the selection of the Project Director and the redeployment of staff resources from the Facilities and Real Estate Division. A competitive process was then undertaken to retain a consortium consisting of an architectural firm, mechanical and electrical consultants and a construction management firm to develop the stacking, blocking and sequencing plans to determine where and when staff will be relocated and to rehabilitate the target locations to accommodate them.

(2.2) The Communication Plan:

Corporate Communications, as part of the MAP Project Team, is developing a communications strategy for moves to and from the 15 target locations identified in MAP, ensuring the following:

- (i) that staff moves are communicated to all staff in a timely, co-ordinated manner, minimizing their impact on staff;
- (ii) that staff who are relocating are well-informed about their move and their new work location;
- (iii) that City Council, the Executive Management Team and other senior management are kept informed of the plans and progress;
- (iv) that the impact on staff and service delivery is minimized; and
- (v) that the public is notified of any service relocation in a timely, co-ordinated manner to minimize the impact on service delivery.

Information will be provided to help departments manage their moves. Work group co-ordinator's kits and staff move kits or guides have been developed, which can be customized for each move. Location guides providing information

on target sites have been prepared and information on transition strategies has also been developed. All information will be available on the City of Toronto internal Web site.

(2.3) Redefining MAP Phase II:

(2.3.1) Initial Scope of Work:

The initial scope of work for Phase II consisted of undertaking space planning and rehabilitation work for MAP target office facilities, relocating staff and implementing an office workstation strategy to accommodate the consolidation of City staff, in accordance with the four district, decentralized model. The initial scope of work involved 10 target locations, namely:

- (1) City Hall;
- (2) 703 Don Mills Road;
- (3) East York Civic Centre;
- (4) Etobicoke Civic Centre;
- (5) Etobicoke Hydro Building (2 Civic Centre Court);
- (6) Metro Hall;
- (7) North York Civic Centre;
- (8) Scarborough Civic Centre;
- (9) Scarborough Public Utilities Commission Building (1530 Markham Road); and
- (10) York Civic Centre.

(2.3.2) Expanded Scope of Work:

The MAP Project Team has identified that the initial scope of work for MAP Phase II will need to be expanded to meet the current objectives for MAP. The need to expand the scope of work is attributable to several factors:

- (a) the need to densify some of the target locations;
- (b) the change from 6,000 to 7,400 staff being allocated to MAP buildings; and
- (c) additional buildings being added to MAP Phase II;
- (i) Densification of Target Locations:

The original scope of work and budget estimates for MAP Phase II did not contemplate rehabilitating target facilities to increase the efficiency and density of these facilities in accordance with new office space and work environment standards. Implementing these new standards would increase substantially the number of staff that could be accommodated at each location.

A comprehensive examination of the City's space needs now indicates that densification of some target locations is imperative to achieve the MAP objectives. As a result, the scope of work is being expanded for City Hall and the North York and Scarborough Civic Centres.

The redefined objective is to achieve optimum space densification at these locations by investing the necessary funds to rehabilitate the space and implement an office workstation strategy that would redeploy existing workstations effectively, supplemented by minimal acquisition of used components and new purchases as a last resort. For the remaining Phase II buildings, plans call for minimal interior rehabilitation work to be undertaken to accommodate staff.

(ii) Change in Staff Allocations:

The expanded Phase II includes a change from 6,000 to 7,400 staff to be accommodated in MAP buildings. This change in the staff allocation is due to:

- (a) further staff consolidations by departments to MAP locations from leased space or non-MAP space to improve adjacencies;
- (b) further staff allocations to MAP buildings due to Council's directive to identify office buildings such as 277 Victoria Avenue and 590 Jarvis Street as surplus to the City's office needs and offer them for sale;
- (c) Council directives approving departmental staff increases to meet program and service requirements; and
- (d) an increase in staff due to provincially downloaded services.

It should be noted that this change in the staff allocations to MAP buildings is based on Year 2000 staffing numbers that may be impacted by staffing changes for 2001 not yet quantified.

(iii) Addition of MAP Target Buildings:

Five buildings which are either owned by the City or under long term lease are now being added as MAP target locations to accommodate some of the space shortfall attributable to the 1,400 additional staff allocated to MAP buildings, namely:

- (1) 75 to 81 Elizabeth Street;
- (2) 112 Elizabeth Street;
- (3) 18 Dyas Road;
- (4) 55 Town Centre Court; and
- (5) 160 Borough Drive.

The two Elizabeth Street buildings and 18 Dyas Road require some minimal interior modifications. No rehabilitation work is planned for the Town Centre Court and Borough Drive buildings.

(2.4) Status of West District Study:

The MAP strategy approved in December 1999 outlined a longer-term plan (5 to 10 years) for the establishment of the West District, including the potential to create a new West District Service Centre to replace the former Etobicoke and York Civic Centres. A number of options for the West District Service Centre were to be considered, including:

- (i) the potential disposal of the Etobicoke Civic Centre site (including the former Etobicoke Hydro building);
- (ii) the potential disposal or future community use of the York Civic Centre site; and
- (iii) the development potential along the Bloor Street subway line, west of Jane Street.

Until the City could determine its longer term accommodation needs in the West District, it was difficult to proceed with an analysis of the options. An estimate of space requirements is now available and will be used as a basis to study several specific scenarios, including the following:

- (i) maintaining staff in the present locations (former Etobicoke and York Civic Centres and Etobicoke Hydro building) and providing tenant improvements where necessary for their longer-term use;
- (ii) selling or redeveloping the former York Civic Centre, but maintaining the former Etobicoke Civic Centre and Etobicoke Hydro building (and potentially acquiring the Etobicoke School Board building) to develop a west end campus;
- (iii) selling the former Etobicoke Civic Centre and Etobicoke Hydro building and selling or redeveloping the former York Civic Centre and relocating staff to a new facility in the West End.

It is anticipated that a financial analysis of these scenarios will be completed by the end of May 2001. A meeting of the Working Group comprised of three members of Council will then be held to review and provide input into the options, prior to the development of a final report to the Administration Committee.

(2.5) Collapse of Current Office Leases:

In accordance with Council's directive to consolidate the City's leased office space, the MAP Project Team has collapsed existing leases totalling approximately 106,000 square feet of space, at the following locations:

- (i) 300 Consilium Place (approx. 32,785 sq. ft.);
- (ii) 500 University Avenue (approx. 65,000 sq. ft.);
- (iii) 33 Yonge Street (approx. 5,500 sq. ft.); and
- (iv) 5150 Yonge Street (approx. 3,000 sq. ft.).

This will result in total annual savings for the City of over \$2.4 million. A total of approximately 450 staff has been relocated from these leased premises to City-owned space.

(2.6) Rehabilitation of MAP Target Locations and Staff Consolidations:

Over the last year, approximately 120,000 square feet of space, representing portions of MAP target buildings located at 2 Civic Centre Court, 18 Dyas Road, 75-81 Elizabeth Street, 112 Elizabeth Street and 1530 Markham Road, as well as City Hall West Tower floors 6 to 9 have been rehabilitated to accommodate the consolidation and relocation of City staff.

The second floor of Metro Hall has also been fitted up as swing space to provide temporary accommodation for South District workgroups that are awaiting the rehabilitation of their final target locations prior to relocating there. Typically, these workgroups have been relocated from leased space or they have vacated other MAP target facilities to permit the rehabilitation of these facilities prior to the relocation of other workgroups being consolidated there.

In addition to completing the rehabilitation of MAP space as noted above, the MAP Project Team has completed the consolidation and relocation of: the Surveys and Mapping Services Unit (103 staff) from various locations to 18 Dyas Road and the Taxi Training Unit (11 staff) from 703 Don Mills to 1530 Markham Road. Other consolidations and relocations of over 150 staff have also taken place to various MAP target locations.

(3) Map Issues:

(3.1) MAP Space Analysis:

The MAP Project Team undertook a space analysis comparing the amount of space available in MAP target locations with the locational space requirements of each civic department. The departmental requirements are based on the results of a series of needs assessment surveys completed by each department to confirm their current staffing levels and the amount of space they will require by workgroup and by district.

Table 1 (attached) compares the amount of space available and the amount of space required at the City Hall and the district target locations. As shown in Table 1, except for a small shortfall of 10,000 square feet in the East District, there is sufficient space available at City Hall and the MAP district target locations to accommodate the locational space requirements of the various departmental workgroups. This “fit” will be achieved to a great extent by redistributing or dispersing workgroups to the North, East and West Districts and acquiring the following two Toronto District School Board administration buildings:

District	TDSB Building Location	Available Space	Status
North	North York School Board Building – 5050 Yonge Street	83,662 sq. ft.	Acquisition under negotiation
East	Scarborough School Board Building - 140 Borough Drive	76,670 sq. ft.	Acquisition under negotiation
Total:		160,332 sq. ft.	

As discussed below, it is proposed that the South District staff will continue to occupy 210,000 square feet of space in Metro Hall in the short term and then relocate to an equivalent amount of class “B” office space to be acquired by the City elsewhere in the Downtown area.

(3.2) Approach to South District Space Shortfall:

Currently, the City’s office accommodation in the Downtown area, excluding City Hall and the satellite head office locations at 75 to 81 and 112 Elizabeth Street, consists of Metro Hall, 590 Jarvis Street and 277 Victoria Street. At the present time, the total office space utilized at these locations is approximately 719,000 square feet as indicated in the table below.

Current South District Location	Current Office Space Utilization	Status
Metro Hall	571,884 (sq. ft.)	Recommended to be declared surplus
590 Jarvis Street	74,619 (sq. ft.)	Declared surplus and authorized for sale
277 Victoria Street	72,450 (sq. ft.)	Identified as surplus and to be sold
Total:	718,953 (sq. ft.)	

Both the Jarvis and Victoria Street properties have been identified as surplus to the City’s needs and will be sold, creating a shortfall of close to 150,000 square feet of space in the City’s Downtown office space portfolio. The short-term MAP strategy is to reallocate the essential South District staff workgroups currently located in these two buildings to Metro Hall. Other workgroups that deliver City services to local communities or that can be relocated to less costly space outside the Downtown area would be consolidated and dispersed to district MAP target locations.

Keeping this approach in mind, the recent space analysis undertaken by the MAP Project Team (see Table 1 attached) concluded that 255,000 square feet of space would still be required to accommodate South District functions. It is recommended that, in the short term, 210,000 square feet of the 255,000 square feet of space required in the South District should continue to be

located at Metro Hall on a leased basis, even if Metro Hall is declared surplus to the City's requirements and offered for sale. In the longer term, the strategy calls for this 210,000 square feet of space to be accommodated in newly acquired Class "B" office space located elsewhere in the Downtown.

This still leaves the requirement for 45,000 of the 255,000 square feet of space to be accommodated elsewhere in the Downtown area for South District Buildings and Licensing Inspectors who need smaller touch-down workstations equipped with telephones and computers. The intent is to meet this space requirement in non-office space located close to the Downtown area, which is owned by the City and which provides easy road access and sufficient short-term parking to meet the needs of these workgroups.

### 3.3 Analysis of Budgets for MAP Phases I and II

#### 3.3.1 MAP Phase 1 Budget Expenditures

The Budget Advisory Committee, at its March 19, 2001 meeting, requested that the MAP status report include a breakdown of the previously approved expenditures of \$14 million for Phase I of the City's office consolidation project. In an information report dated March 28, 2001 to the Budget Advisory Committee, the Commissioner of Corporate Services responded to this request by indicating that the breakdown of Phase I expenditures is currently being reviewed and reconciled with staff from Finance and Facilities and Real Estate to provide up-to-date information which will be included in this MAP status report.

In summary, MAP Phase I consisted of the following project components:

- (i) renovating the City Hall 2 floor and Council Chamber to accommodate the new City Council and Council operations;
- (ii) constructing two pedestrian links to improve accessibility between the Council Chamber and the City Hall East and West Office Towers;
- (iii) rehabilitating the City Hall East Tower Floors 4 to 12 to accommodate the partial relocation of the Chief Administrative Officer, the Commissioners and their key head office staff to City Hall;
- (iv) rehabilitating space at the North York Civic Centre and reconfiguring space at Metro Hall to facilitate the consolidation and relocation of Finance Department workgroups to these two locations; and
- (v) relocating staff from City Hall to leased swing space at 500 University Avenue to facilitate the necessary City Hall renovation work and staff relocations to accommodate creating the new seat of government at City Hall.

Table 3 (attached) provides a breakdown of the actual expenditures for Phase I totalling \$19.039 million, based on approved budgets totalling \$18.845 million. The figure of \$14 million that may have been provided in the past represents an estimate of Phase I budget expenditures.

The up-to-date figure of \$19.039 million represents actual Phase I expenditures, based on budgets of \$18.845 million that were substantiated by business cases and were approved by Council. The revised figures were reviewed by Finance staff for accuracy and completeness.

### 3.3.2 Additional Budget Requirements for MAP Phase II:

As part of the City's 2000-2004 Capital Budget, Council approved \$38.2 million to implement the office consolidation and rehabilitation of MAP Phase II target locations, \$7.7 million to implement the approved concept plan for the Main Floor of City Hall to improve service delivery to the public, and \$500,000 to hold a design competition for the revitalization of Nathan Phillips Square.

As identified in Table 2 (attached), there is an increased budget requirement for \$9.3 million to enable the expanded scope of work for Phase II to be undertaken in order to meet MAP's objectives to consolidate City staff and provide public services at City Hall and in the four districts. The increased budget requirement for Phase II is attributable to the following factors:

- (i) densification and construction cost escalations between 1999 and 2001;
- (ii) rehabilitation costs for additional MAP target buildings;
- (iii) increase in staff moves and need for additional workstations due to the change in the staff allocation to MAP buildings; and
- (iv) a corporate requirement to capitalize staff costs to capital projects.

#### (i) Densification and Construction Cost Escalation between 1999 and 2001:

To achieve optimum space densification in the North York and Scarborough Civic Centres, additional funds need to be invested to rehabilitate these buildings. Further, a comparison of the construction cost estimates for the original 10 MAP target locations prepared in 1999 and updated recently by KiiA Architecture showed a 20 percent to 25 percent increase in material and labour costs due to current market pressures on the construction industry.

The need to undertake more extensive rehabilitation work to densify the North York and Scarborough Civic Centres, together with the escalation in construction costs over the past two years result in an increased budget requirement of close to \$3.2 million for the Phase II target locations. This increase reflects the current construction costs of implementing the MAP Phase II expanded scope of work.

#### (ii) Rehabilitation Costs for Adding MAP Target Buildings:

As previously stated, five buildings not previously budgeted for under MAP Phase II are now being added to MAP, namely: 75 to 81 Elizabeth Street, 112 Elizabeth Street, 18 Dyas Road, 55 Town Centre Court and 160 Borough Drive. Of these five buildings, the two Elizabeth Street buildings and 18 Dyas Road are undergoing minor interior modifications. Therefore, additional funds totalling \$1.4 million will be required to cover the construction cost estimates for these three buildings.

- (iii) Increase in Staff Moves and Workstations Attributable to Change in Staff Allocations to MAP Buildings:

Since MAP Phase II as redefined will require accommodating additional staff relocating to MAP buildings, an additional \$547,000 is required for staff moves. This budget requirement is based on a cost estimate of \$250 per move.

Further, accommodating additional staff will require an additional \$987,000 to reconfigure and supplement existing office workstations.

- (iv) Funding for Project Team:

An additional \$3.2 million is required to fund the MAP Project Team. This increased budget requirement is attributable to the following factors:

- (i) more accurate cost estimates for contracted services for expanded MAP Phase II; and
- (ii) a corporate requirement to charge back City MAP staff operating costs to the MAP capital budget.

- 3.3.3 Redirecting Funds from City Hall Main Floor and MAP Construction Management and Contingency Funds:

In light of the current budget constraints facing the City, it is proposed that the rehabilitation work planned for the Main Floor of City Hall be scaled back and the budget allocation for this project component be reduced from the previously approved \$7.7 million to \$2.7 million (i.e. a reduction of \$5 million). It is the view of the MAP Project Team that a scaled down concept to rehabilitate the Main Floor will still achieve the same objectives for the project as previously identified, namely:

- (i) to consolidate and upgrade front-line customer service facilities;
- (ii) to increase public amenities;
- (iii) to provide better support facilities for special events;
- (iv) to improve building directory and wayfinding signage; and
- (v) to provide adequate space for the necessary building management, security and support services.

It is recommended that the \$5 million reduction in approved funds for the City Hall Main Floor project be redirected to address the increased budget requirements for MAP Phase II. This adjustment will enable MAP to achieve its objectives within the previously approved funding envelope for the two related projects, with a shortfall of only \$4.3 million for the redefined MAP Phase II program. As the project is implemented, this shortfall can be eliminated by redirecting

MAP funds that will be saved through efficiencies gained by utilizing the construction management process recommended in this report (\$2.7 million) and by reallocating contingency funds set aside for non-construction items (\$1.65 million).

However, in the event that extraordinary market pressures on the construction industry or other unforeseen risks are encountered in implementing MAP Phase II, additional funds to offset any budget shortfall may be requested as part of the 2002 capital budget process.

#### 3.3.4 MAP Phase II Projected Cash Flow for 2000 to 2003:

The Budget Advisory Committee, at its March 19, 2001 meeting requested that a breakdown of the projected future cash flows for MAP Phase II be included in this report. In the meantime, the Commissioner of Corporate Services submitted a separate information report dated March 28, 2001 to the Budget Advisory Committee in order to respond to the Committee's request in a more timely manner. That report advised that the MAP Phase II expenditures as of December 31, 2000 were \$2.7 million and that the projected cash flow for 2001 is \$14 million. The report also stated that a number of factors will influence cash flows for future years, namely the disposition of Metro Hall, the possible acquisition of other facilities for MAP, and the finalization of the staff allocation plan. The report indicated that the upcoming MAP status report will include a breakdown of the projected Phase II cash flows for future years.

While the original MAP Phase II 2001 Capital Budget submission indicated cash flows of \$26 million for 2001 and \$10 million for 2002, these figures have been revised to reflect the budget adjustments previously explained in this section of the report.

As shown in Table 4 (attached), the MAP Phase II revised cash flows for 2001 to 2003 are:

- (i) \$14 million for 2001;
- (ii) \$20 million for 2002; and
- (iii) \$6.5 million for 2003.

The table also includes projected cash flows for the planned rehabilitation work for the City Hall Main Floor, at \$1 million for 2001 and \$1.736 for 2002. Cash flows for the Nathan Phillips Square Design Competition project (which still requires Council's further approval to proceed after Council deferred the matter in January 2001) are projected at \$200,000 for 2001 and \$125,000 for 2002.

#### 3.4 Costs Associated with Disposal of Metro Hall:

It is important to keep in mind that the \$9.3 million required for the expanded scope of work for Phase II does not include the costs associated with the disposal of Metro Hall, such as:

- (i) acquisition and rehabilitation costs for the North York and Scarborough School Board buildings;

- (ii) the cost of short-term leasing of 210,000 square feet at Metro Hall;
- (iii) acquisition and rehabilitation costs for 210,000 square feet of class “B” Downtown office space to replace the Metro Hall space; and
- (iv) additional costs associated with moving staff from Metro Hall and reconfiguring and supplementing existing workstations at the class “B” Downtown office space and other target locations.

The separate confidential report from the Chief Administrative Officer and the Chief Financial Officer and Treasurer on the disposition of Metro Hall discusses these costs in detail and outlines a strategy to offset these costs from the sale of Metro Hall.

### 3.5 Confirming Construction Management Contract:

In June 2000, the MAP team issued a Request for Proposals (RFP) to secure project management, architectural design and construction management services for MAP Phase II. The RFP was awarded to KiiA Architecture Inc./Rice Brydone Ltd. (“KiiA”) by the Bid Committee at its meeting of October 18, 2000, for a total amount not to exceed \$4.8 million, and the KiiA contract included the services of BFC Construction Limited (“BFC”) as the construction management firm.

The MAP Team working in consultation with staff from the Purchasing and Materials Management Division of the Finance Department had considered several options for executing the construction management services required for the MAP project. It was concluded that the most effective approach would be to enter into separate contracts with both KiiA and BFC, respectively. Both parties are in agreement with this approach.

This will enable BFC to act independently in the role of construction manager without a conflict of interest inherent with working as a sub-consultant to KiiA. This also ensures that financial and sub-trade resources are optimized allowing BFC to act as the construction manager for the MAP project under its own contract with the City. Authority is therefore being sought to amend the KiiA contract to delete that portion of the work and contract value attributed to construction management; and to enter into a separate agreement with BFC for construction management services. The BFC construction management services are valued at two percent of the total construction costs, which are currently estimated to be approximately \$560,000 out of a total \$28 million construction budget.

Instead of using a General Contractor for each site, it was concluded that utilizing BFC as the construction manager for the entire project would not only be cost effective, it would prove to be the most efficient approach to manage construction activities taking place at multiple sites. Under this scenario, BFC would manage the sub-trades at all target locations directly rather than the City supervising the sub-trades, and BFC would be deemed to be the “constructor” for the purposes of the Occupational Health and Safety Act on this portion of the project. This approach would remove the requirement to use general contractors, thus avoiding the normal general contracting fee of 10 to 15 percent of the value of construction. Further, it will provide greater flexibility in shifting resources from site to site as required to meet aggressive work schedules.

In this arrangement, the City requires the ability to allocate an upset of \$2.5 million of the previously approved \$38.2 million MAP Phase II budget as a cash allowance to facilitate the general expenses portion of the construction activity. This approach would require by-passing the normal purchasing procedures to allow this work to be sole-sourced to BFC. Any expenditure charged to this allowance will require agreement and pre-approval by the City's Project Manager. This would include such items as site cleanup, safety hoarding, worker washrooms, and site supervision.

Accordingly, it is recommended that:

- (A) 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;
- (B) 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 two percent of the total construction costs not to exceed \$560,000;
- (C) 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.

### 3.6 Managing Impact of Moves on Existing Staff:

The MAP Project Team, as well as the City's Executive Management Team recognize that the implementation of MAP will cause disruption and inconvenience to City staff who will be moving and will need to adapt to new work locations and environments. To minimize the impact on staff and service delivery, staff moves will be phased and well timed. The communication plan will ensure that staff moves are communicated to all staff in a timely, co-ordinated manner and those staff who are relocating are well-informed about their move and are provided with suitable information about their new work location.

Meetings with CUPE and COTAPSI representatives are underway to discuss their concerns about the impact of moves on the staff they represent. CUPE will continue to be notified of specific moves involving employees they represent, in accordance with the provisions of the collective agreements. COTAPSI will also continue to be consulted. Each workgroup will receive formal official notification of their own specific move at least 60 days prior to their scheduled move date.

To reduce the impact of moves on staff as MAP is implemented, several measures such as improved transportation service to some of the target locations, implementing an interim employee parking policy and interim child care assistance are being studied. It is proposed that a transition fund be established utilizing some of the proceeds from the sale of Metro Hall to mitigate these and other MAP expenses that will be incurred during the transition period.

(4) Update on Acquisition of Toronto District School Board (TDSB) Administration Buildings:

4.1 Negotiations on North York and Scarborough School Board Properties:

With the adoption of Clause No. 13, Report No. 19 of The Administration Committee, Council, on October 3, 4, 5, 6, 10 and 11, 2000, directed the Commissioner of Corporate Services to submit proposals to the Toronto District School Board (TDSB) for the acquisition of 5050 Yonge Street and 140 Borough Drive. City staff submitted the City's Proposal to Purchase with respect to the above properties from TDSB on October 12, 2000. TDSB acknowledged receipt of the City's Proposal to Purchase on November 16, 2000. Negotiations between City and TDSB staff have been ongoing.

During the negotiations, TDSB staff advised that the Scarborough School Board Building (SSBB), which has a gross floor area of about 126,000 sq. ft., is occupied by staff of their Regional Education Office (REO) and that the REO staff are scheduled to be relocated to area school premises which have yet to be renovated for their administrative use. TDSB staff indicated that if a purchase price between the City and TDSB can be struck, vacant possession of the SSBB would be delivered to the City at the earliest in August 2002.

With respect to the North York School Board Building (NYSBB), which has a gross floor area of about 118,000 sq. ft., TDSB staff advised that the building is about 70 percent occupied by TDSB's Head Office staff and the remaining floor area is used by their REO staff. Since TDSB has not yet identified its Head Office location, vacant possession of the NYSBB could not be delivered to the City until such time as TDSB has relocated its Head Office to alternate accommodation.

Negotiations have advanced to the point where verbal agreement has recently been reached with senior staff of the TDSB concerning the purchase price for the two buildings. City and TDSB staff will be meeting over the next couple of weeks to finalize the details of an Agreement of Purchase and Sale and it is anticipated we will be in a position to report directly to City Council for its meeting on May 30 and 31 and June 1, 2001 on the details of the transactions.

4.2 Requirements for State of Good Repair:

In addition to the acquisition costs for the two school board buildings, it should be further noted that there are other immediate costs associated with these facilities to deal with mandatory health and safety requirements and essential capital repairs. Preliminary condition assessments were performed and identified cost estimates totalling \$2.6 million (\$1.6 million for Scarborough and \$975,000 for North York School Board buildings) to bring these two facilities on-line for use by the end of 2002 and to meet the minimum level of "state of good repair". These costs will be offset by the sale of Metro Hall.

(5) Options for Disposition of Metro Hall:

5.1 Discussions with TDSB about Interest in Metro Hall:

Staff of TDSB and City staff have entered into discussions concerning short-term and long-term options regarding Metro Hall, as well as several School Board properties. City staff were advised that previous TDSB staff reports to the School Board on long-term governance have included the flexibility for TDSB staff to explore potential options of mutual benefit to the School Board and the City.

During these discussions, it was revealed that the governance and administrative functions of TDSB are to be reorganized such that TDSB will have a new Head Office and Regional Education Offices (REOs). The new Head Office is to be located either in downtown Toronto or along the Yonge Street Corridor. The REOs are to be located in schools.

TDSB staff have conducted a building search for Head Office accommodation, both within downtown Toronto and along the Yonge Street Corridor, but have not yet identified a suitable facility that meets all of the TDSB's Head Office administration and governance needs. It is recognized by staff of both parties that the prospect of relocating both City and TDSB staff to target locations, particularly in the case of the NYSBB, would be problematic until the TDSB has secured its Head Office accommodation. The utilization of Metro Hall for TDSB headquarters would significantly facilitate the timing for staff relocations for both public bodies.

In light of the possible offering of Metro Hall for sale by the City, TDSB staff, with support from a number of the School Trustees including the Chair of the Board, have expressed interest in exploring opportunities with the City regarding using a portion of Metro Hall for their new TDSB headquarters.

To that end, TDSB staff have toured the Metro Hall premises and advised that TDSB would need in the range of 175,000 sq. ft. of rentable area to satisfy its Head Office space requirement. They also identified that the block of space between the second floor and the eighth floor would be their best choice for their Head Office functions. It is anticipated that if TDSB were to move into these floors, it would be able to utilize the existing floor layout with minimal renovation.

Although long term and shorter-term options are being discussed, City staff feel that the best arrangement for TDSB to occupy the block of space in Metro Hall would be on a typical commercial lease basis. Using this approach does not negatively impact the sale of Metro Hall and the City can practically arrange to have TDSB secure its Head Office location in Metro Hall, so that TDSB may commence to relocate its staff from NYSBB and SSBB in a very short time frame. The closing of the anticipated Agreement of Purchase and Sale between the City and TDSB with respect to the NYSBB and SSBB can be expedited. Vacant possession of the NYSBB and SSBB will then be given to the City upon closing, thus allowing the City to consolidate staff from Metro Hall to these locations according to the MAP program.

In brief, should this scenario materialize, City staff can envisage moving trucks for the City and TDSB being mobilized simultaneously in opposite directions towards their target locations, in a relatively short time.

## 5.2 Options for Metro Hall:

As outlined in the Council adopted November 1999 report on the master plan for office accommodation, the MAP project will require the use of Metro Hall at least in the short term to accommodate South District staff and some of the staff previously located in leased facilities or in City properties declared surplus. When the report discussed the possibility of disposing of Metro Hall, it made it clear that the sale of Metro Hall should be considered only if there is a business case to support it. With this in mind, the Finance Department undertook a financial analysis of various scenarios for the disposition of Metro Hall, using the following base case and four options for comparative evaluation purposes:

### Base Case:

- Retain Metro Hall and utilize 370,000 square feet for City purposes;
- Lease out 175,000 square feet of Metro Hall to TDSB on long-term basis;
- Lease out remainder of Metro Hall to other tenants; and
- Do not acquire North York or Scarborough Board of Education facilities.

### Option 1:

- Sell Metro Hall;
- Lease back 210,000 square feet of Metro Hall on a fixed term (5 to 10 years);
- Facilitate lease out of 175,000 square feet of Metro Hall to TDSB; and
- Acquire North York and Scarborough Board of Education facilities.

### Option 1(a):

- Sell Metro Hall;
- Lease back 210,000 square feet of Metro Hall on flexible cancellation terms;
- Facilitate lease out of 175,000 square feet of Metro Hall to TDSB;
- Acquire North York and Scarborough Board of Education facilities; and
- Eventually acquire 210,000 square feet class "B" downtown space (within 2.5 years) and collapse 210,000 square foot Metro Hall lease.

### Option 2:

- Retain Metro Hall;
- Use 210,000 square feet for South District Function through full 10-year time horizon;
- Lease out 175,000 square feet of Metro Hall to TDSB on long-term basis in exchange for a cash flow to cover the acquisition costs for the 2 Board of Education facilities plus funding for the state of good repair;
- Lease out remainder of Metro Hall to other tenants; and
- Acquire North York and Scarborough Board of Education facilities.

Option 2(a):

Retain Metro Hall;

Use 210,000 square feet temporarily for South District Function;

Lease out 175,000 square feet of Metro Hall to TDSB on long-term basis in exchange for a cash flow to cover the acquisition costs for the 2 Board of Education facilities plus funding for the state of good repair;

Lease out remaining space in Metro Hall to other tenants;

Eventually acquire 210,000 square feet of class "B" downtown space (after ~2 years) and lease out a further 210,000 square feet of Metro Hall; and

Acquire North York and Scarborough Board of Education facilities.

To a great extent, the base case reflects the status quo for Metro Hall. This scenario calls for retaining Metro Hall, utilizing 370,000 square feet of space to accommodate City staff and leasing the remaining space to the TDSB and other tenants. The acquisition of the two North York and Scarborough Board of Education buildings is not required as MAP district target locations.

Under the four options, the City would either retain or sell Metro Hall, but in all cases, South District functions would only occupy 210,000 square feet of space in the building, with most of the City staff being relocated and decentralized to the other district centres to ensure effective customer service delivery to local communities. Furthermore, both Options 1a and 2a recognize that even in the South District, it is more cost effective to accommodate City staff in Class B office space somewhere else in the Downtown area other than Metro Hall.

However, it should be pointed out that, in the short term, all four options still require the use of Metro Hall to accommodate staff who are to be relocated to the North York and Scarborough TDSB buildings. Pending the acquisition of these TDSB buildings and the Class B Downtown space, Metro Hall will need to be retained, likely to the end of 2002.

All options other than the base case will enable the City to achieve the MAP objectives as approved by City Council in December 1999. Further, an allocation plan reflecting staff relocations from the Downtown, in accordance with the four Metro Hall options, to the North, East and West District MAP target locations has recently been approved by the City's Executive Management Team (EMT).

### 5.3 Financial Analysis:

The accompanying confidential report from the Chief Administrative Officer and the Chief Financial Officer and Treasurer provides a financial analysis of the base case and all four sell or retain options. That report indicates that Option 1a achieves the best financial return for the City.

Under this option, it is anticipated that the sale of Metro Hall will net the City significant funds to meet future capital budget pressures, even after some of the proceeds of the sale are set aside in reserve funds to cover such costs as the acquisition and rehabilitation of the two TDSB administrative buildings and 210,000 square feet of class "B" Downtown office space, the short-term leasing of 210,000 square feet of space at Metro Hall, along with additional staff moving, office workstation reconfiguration and acquisition costs, staff transition costs and contingency costs.

It should be noted that operational costs resulting from staff relocations, such as travel and other costs associated with managing a distributed organization have not been factored into the financial analysis. It should be recognized that the adjacencies achieved by the creation of district offices and their location in the service areas will offset the operational costs incurred today as staff are currently located outside their service delivery area. The difference between these costs should not be significant. Further, the creation of decentralized district offices will result in improved service delivery to the public.

(5.4) Declaration of Metro Hall Property Surplus for Municipal Needs:

Prior to proceeding with the marketing and sale of Metro Hall, the City must comply with the procedures governing the disposal of City-owned property. Section 193(4) of the Municipal Act requires that, before selling any property, Council must declare the property to be surplus by by-law or resolution passed at a meeting open to the public, give notice to the public of the proposed sale and obtain at least one appraisal of the market value of the property, unless exempted by regulations passed under the legislation.

(5.5) Status of Metro Hall Public Square:

The open space commonly referred to as "Metro Square" is the public park located immediately east of the Metro Hall, which is maintained by City staff. It provides an important pedestrian link between King Street West and Wellington Street West and is an important gathering place for occupants of surrounding buildings and the theatre area. City Parks staff advised that this public area functions as a park and should be maintained as parkland and the City should continue to manage it and issue permits for its use. Staff from Urban Development Services confirmed that it is an important public space on the block and forms part of the area-wide open space system that has been negotiated with developers over many years.

Metro Square was leased from Marathon Realty Company Limited (now Oxford Development Group Inc.) by the former Municipality of Metropolitan Toronto for 99 years, ending the last day of October 2088, with provision for automatic renewals on a year-to-year basis thereafter. The rental for the entire lease term including renewals is set at \$1.00 per annum, prepaid for the 99-year term.

(5.6) Future of Non-Office Uses and Memorial and Awards Collections at Metro Hall:

At its meeting of March 6, 7 and 8, 2001, when City Council adopted Clause No. 10 of Report No. 2 of The Administration Committee to retain real estate consulting and brokerage services for the marketing and sale of Metro Hall, it requested the Commissioner of Corporate Services to report to the Administration Committee on the following issues pertaining to Metro Hall:

- (a) the future of the Child Care Centre located at Metro Hall;
- (b) the suitability of the City Hall basement for the Urban Affairs Library, including both load bearing and atmospheric needs;
- (c) where the public, particularly those with disabilities, who utilize the meeting space at Metro Hall, will meet in the future;
- (d) the future of the Terry Fox Hall of Fame, located on the east side of Metro Hall;
- (e) where the Gardiner awards collection will be located; and
- (f) where committee meetings presently held in Metro Hall will be held in the future.

Further the Commissioner of Economic Development, Culture and Tourism has indicated that there are several major public art pieces located on the main floor, third floor and seventh floor in Metro Hall that should be preserved or retained by the City. He also indicated that the City's current contracts with the artists of these public art pieces do not include the sale of these works to a third party, and that these cultural pieces should not be impacted by the proposed sale of Metro Hall.

With respect to Item (b) concerning the Urban Affairs Library, in December 1999 City Council approved the relocation of the Urban Affairs Library from Metro Hall to the basement area at City Hall. Prior to that, the Library Board endorsed the Library staff recommendation that the Urban Affairs Library be relocated to the southeast basement area of City Hall. The cost to rehabilitate the City Hall basement space to accommodate the Urban Affairs Library estimated at \$875,000 is included in the Council approved MAP Phase II budget.

The MAP Project Team is currently holding discussions with Library representatives on the plans to rehabilitate the space at City Hall in order to facilitate the relocation of the Urban Affairs Library. Issues such as the load bearing and atmospheric needs for this space will be investigated at that time and any serious problems that cannot be resolved to ensure the successful implementation of this project will be reported to City Council at that time.

Further, it is further proposed that Items (a), (c), (d), (e) and (f) listed above, and the issues concerning the public art pieces located in Metro Hall as identified by the Commissioner of Economic Development, Culture and Tourism should be addressed in the detailed MAP space allocation and sequencing plans currently being developed by the MAP Project Team. The intent is to resolve any outstanding issues related to these items once Council provides further direction on the final disposition of Metro Hall, as recommended in this report. Consideration should also be given to allocating some funds from the proceeds of the Metro Hall sale to offset the costs that will be incurred by MAP to address these concerns.

(5.7) Consulting/Listing Agreement with the Real Estate Brokerage Firm:

With the adoption of Clause No. 10 as amended of Administration Committee Report No. 2 at its meeting held on March 6, 7 and 8, 2001, Council approved the selection of the real estate brokerage firm, Royal LePage in partnership with CIBC World Markets Inc. and Brisbin Brook

Beynon Architects, for consulting and brokerage services for the marketing and sale of Metro Hall. Council also directed that the length of the Consulting/Listing Agreement be set at 90 days. In view of the recommendations contained in this report, it is necessary to extend the Agreement between the City and Royal LePage for a period of six (6) months from the date of Council's approval of this report.

(6) Map Next Steps:

Once Council provides further direction on the final disposition of Metro Hall, the MAP Project Team will be able to complete the stacking plans for all MAP target locations, which will determine the location of workgroups within each building, taking into consideration staff adjacency requirements to ensure effective service delivery.

This work will be followed by the completion of a move sequencing plan that will determine the timing of the staff moves to ensure minimal disruption to service, based on business cycles. Construction sequencing will be coordinated with the move sequencing plan to ensure that MAP target locations are ready on schedule for occupancy by the target workgroups.

Conclusions:

The adoption of Option 1a for the disposition of Metro Hall will allow the City to implement the MAP objectives while exercising the most cost-effective solution for space accommodation. The MAP Project Team is on track to implement the MAP program. With the approval of this report, City Council will continue to set the direction for the City's office accommodation plan over the next 3 to 5 years, while allowing City staff to analyze longer-term options that were not part of the scope of work for Phase II of MAP, such as creating a City Hall campus and a new West District Service Centre.

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List of Attachments:

- Appendix A: Figure 1 - Master Accommodation Plan District Model
- Appendix B: Table 1 - MAP Target Location Space Analysis
- Appendix C: Table 2 - MAP Phase II Redefined Budget Adjustments

Appendix D: Table 3 – Phase I Master Accommodation Plan Approved Budget and Expenditures

Appendix E: Table 4 – Master Accommodation Plan - Phase II Revised Cash Flow 2001-2003

(A copy of Appendices A to E attached to the foregoing report was forwarded to all Members of Council with the May 14, 2001, agenda of the Administration Committee and a copy thereof is also on file in the office of the City Clerk.)

The Administration Committee also submits the following communication (May 11, 2001) from the Executive Director, COTAPSAI (City of Toronto Administrative, Professional, Supervisory Association, Incorporated), entitled “report to the Administration Committee on Master Accommodation Plan”:

A Protocol for Service or Staff Relocation, dated August 13, 1998 was sent to COTAPSAI.

The Protocol (Appendix I), sets out how relocations are to occur, specifically Section 2.3 which states:

### 2.3 Human Resource Planning:

Relocation has a significant professional and personal impact on employees. It is important to determine the level of impact on employees and to look at alternatives for relocation, transfers to accommodate employees who can not be relocated, and the personal expense for employees who must be relocated. It is imperative that employees be given as much notice as possible – with one month as the absolute minimum.

- (i) Has the Human Resources Division been notified of the relocation plan?
- (ii) Has Consultation taken place in advance with the appropriate bargaining unit or association representatives, in partnership with Human Resources/Labour Relations staff?
- (iii) Have the affected employees been consulted with respect to the impact on their employment, personal expenses, working conditions and environment, and service to customers?
- (iv) Have employees and their bargaining unit/association representatives been provided with at least one month’s notice of the relocation?
- (v) Has process been developed to allow employees to request transfers?

Many of our members have advised COTAPSAI that, in their opinion, the Protocol is not being followed. As a result, there is concern among some City staff.

We are pleased to see, in Section 2.2 of Commissioner Anderton's Report, the development of a communications strategy for moves to and from the 15 target locations which will ensure all parties are communicated with and kept informed.

COTAPSAI is also pleased to see in Section 3.6, that measures to reduce the impact of moves on staff such as:

- (i) improved transportation service to some of the target locations;
- (ii) implementing an interim employee parking policy , and
- (iii) interim child care assistance

are being studied.

Employees today want a say in matters that affect them.

Modern organizations recognize the legitimacy of this request.

COTAPSAI has developed and is respectfully submitting the following General Principles for Relocation:

- (1) That the organization recognize that there are professional and personal impacts to relocations.
- (2) That staff and clients be consulted well in advance of any relocations.
- (3) That the Section/Division/Department not be adversely affected in terms of organizational effectiveness, productivity or the ability to deliver public or client services.
- (4) That any relocation be located close to rapid transit lines to ensure maximum accessibility and reduce the costs staff and the organization (and taxpayers) must incur.
- (5) That those staff who have personal impacts be accommodated.
- (6) That the employee's health, safety and well-being is maintained and protected in any relocation.
- (7) That alternative work arrangements (e.g. home offices) be considered.

Section 3.6 of the Report makes reference to consultation and meetings with COTAPSAI and CUPE. In support of this initiative, COTAPSAI recommends that regular monthly meetings be held with the City, COTAPSAI and CUPE.

Recommendations:

- (1) that the Administration Committee recommend that Council approve COTAPSAI's Master Accommodation Plan General Principles for Relocation; and
- (2) that the Administration Committee recommend that Council approve COTAPSAI's recommendation of regular monthly meetings with the City, COTAPSAI and CUPE regarding the Master Accommodation Plan.

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The Administration Committee reports, for the information of Council, having also had before it the following:

- (i) Confidential joint 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; and
- (ii) communication (May 11, 2001) from the President, CUPE Local 79, amongst other things, urging the Administration Committee to consider the legitimate needs and concerns of front-line staff in the Master Accommodation Plan.

(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;
- Ms. Ann Dembenski, CUPE Local 79, and filed a written submission in regard thereto; and
- Mr. John Wayne Rogers, Vice President Director, Royal LePage Commercial Inc.

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

- Councillor Anne Johnston, Eglinton-Lawrence;
- Councillor Ron Moeser, Scarborough East;
- Councillor Howard Moscoe, Eglinton-Lawrence; and
- Councillor Jane Pitfield, Don Valley West.

*(City Council at its meeting on May 30, 31 and June 1, 2001, had before it, during consideration of the foregoing Clause, a confidential communication (May 14, 2001) from the City Clerk forwarding the recommendations of the Administration Committee, such communication to remain confidential, in its entirety, in accordance with the provisions of the Municipal Act, given that it concerns matters of the security of a property interest of the municipality or local board.)*

*(City Council also had before it, during consideration of the foregoing Clause, a confidential report (May 28, 2001) from the Commissioner of Corporate Services, such report to remain confidential, in its entirety, in accordance with the provisions of the Municipal Act, given that it concerns matters of the security of a property interest of the municipality or local board.)*

*(City Council also had before it, during consideration of the foregoing Clause, a confidential presentation (May 30, 2001) from the Chief Financial Officer and Treasurer, such presentation to remain confidential, in its entirety, in accordance with the provisions of the Municipal Act, given that it concerns matters of the security of a property interest of the municipality or local board.)*

*(City Council also had before it, during consideration of the foregoing Clause, the following joint report (May 16, 2001) from the City Solicitor and the Chief Financial Officer and Treasurer:*

*Purpose:*

*To respond to the request of the Administration Committee for a report on the procedure required to issue a debenture secured against Metro Hall.*

*Financial Implications and Impact Statement:*

*There are no direct financial implications arising from the adoption of this report.*

*Recommendation:*

*That this report be received for information.*

*Comments:*

*The Administration Committee at its meeting held on May 14, 2001 had before it a joint report from the Chief Administrative Officer and the Commissioner of Corporate Services dated May 7, 2001 entitled “Moving Ahead with the Master Accommodation Plan (MAP) and the Disposal of Metro Hall, and Financial Analysis of Alternatives”.*

*The Chief Financial Officer and Treasurer and the City Solicitor were requested to report directly to Council on the procedure required to issue a debenture secured against Metro Hall.*

*Subsection 140(19) of the Municipal Act (“the Act”) provides that despite any general or special Act or any difference in date of issue or maturity, every debenture issue shall rank concurrently and equally in respect of payment of principal and interest thereon with all other debentures of the municipality except as to the availability of any sinking funds applicable to any particular issue of debentures. Neither the City of Toronto nor its predecessor, The Municipality of*

*Metropolitan Toronto (“Metro”), has issued debentures secured on any particular asset(s). The proposed debenture “secured against Metro Hall” would contravene subsection 140(19) of the Act in that it would purport to grant priority to a particular secured creditor with respect to one asset which the City owns, namely, Metro Hall.*

#### *Facts Relating to the Debentures Issued to Date in Respect of Metro Hall*

*In the case of Metro Hall, Ontario Municipal Board Order No. 880569 dated June 30, 1988 (“the OMB Order”) authorized Metro to issue debentures in respect of the construction of Metro Hall. The OMB Order provided that debentures could be issued in an amount not to exceed the lesser of the sum of \$210,760,000.00 or an amount sufficient to provide the net cost of the undertaking to Metro after deducting any amounts provided from the Reserve Fund to Pay Capital Costs of Metro Hall (“the Reserve Fund”) or otherwise received for or in respect of the undertaking. The OMB Order provided that the term of any debentures issued thereunder must not exceed 10 years.*

*The entire cost of the construction of Metro Hall was in fact dealt with as follows: \$108,261,000.00 was contributed from the Reserve Fund, \$349,000.00 was contributed from capital funds of Metro, and \$102,135,000.00 was contributed from the proceeds of the sale of debentures issued in respect of the construction of Metro Hall. By the end of 2003, \$99,500,000.00 of the debentures will mature with the remainder of the debentures maturing by the end of 2005. Pursuant to the terms of the OMB Order, the authority to issue debentures in respect of the construction of Metro Hall has been exhausted.*

#### *Legislation and Procedure to Issue a New Debenture in Respect of Metro Hall*

*Subject to the limitations in the Municipal Act or any other Act, section 147 of the Act permits a municipality to borrow money or incur a debt for municipal purposes and to issue debentures for the money borrowed or for the debt.*

*Section 168 of the Act provides that money received by a municipality from the sale of any debentures must be kept in a separate account and used only for the purposes for which it was raised; such money cannot be applied towards payment of the current or other expenditures of the municipality.*

*If the amount realized from the sale of debentures is in excess of that required for the purpose or purposes for which the debentures were issued, the excess amount must be applied as follows:*

- (a) where the amount is sufficient to redeem one or more debentures of the latest maturity, it must be applied for that purpose if any such debentures are redeemable;*
- (b) where no such debentures are redeemable or where the amount is not sufficient to redeem a debenture or where a balance remains after redemption as required by subsection (a), the amount or the balance, as the case may be, must be applied on the annual payments of principal and interest on the debentures until the amount or the balance, as the case may be, has all been so applied, and the levies required for such purpose must be reduced accordingly.*

*If the whole or any part of the amount realized from the sale of any debentures is not required for the purpose or purposes for which the debentures were issued, it may be applied to buy back the debentures or may be applied to meet the whole or a portion of any other capital expenditure the debt charges for which, if raised by taxation, would be raised by taxation levied upon the assessment of the same class of ratepayers as would have been levied upon to meet the debt charges if the amount had been spent for the purpose or purposes for which the debentures were issued.*

*A new debenture may only be issued for new capital work in respect of Metro Hall such as an addition or interior renovations provided that City Council properly authorizes such new capital work by by-law passed in accordance with Ontario Regulation 799/94, as amended (the Debt and Financial Obligation Limit Regulation). However as stated above, there are restrictions on the use of funds raised by the issuance of debentures where there is a surplus realized from such sale or where the total amount from such sale is not required for the purpose or purposes for which the debentures were issued.*

*In the normal course debentures are issued in accordance with the relevant legal authorities in order to replace temporary with permanent financing for capital projects. Debentures are normally issued after the funds have been spent by the City with the timing of the issue coinciding with favourable capital market conditions. The Act authorizes the issue of specific types of debentures only, one type of which constitutes refundable debentures in respect of which refunding debentures are authorized to be issued in the final year of maturity. Metro did not issue refundable debentures in respect of the construction of Metro Hall under the OMB Order. Other than in the case of refundable debentures, the Act generally requires the repayment of debentures through either an annual sinking or retirement fund deposit or principal instalment payment in order to avoid the situation whereby a municipality has to refinance debentures upon maturity or to contribute funds from its operating budget in the year of maturity. This requirement assists in the management of the City's outstanding debt since a portion is always being retired as new debt is being issued. The federal and provincial governments do not have this funding obligation and generally refinance matured debt with new debt.*

*As a practical matter, debentures are only issued on the favourable legal opinion of legal counsel to the underwriting syndicate, which counsel must be satisfied that the debentures and all procedures in respect thereof comply with the applicable legislation.*

Conclusion:

*There is no legal authority to issue a debenture secured against Metro Hall or to issue a new debenture in respect of Metro Hall unless new capital work will be undertaken.*

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*(City Council also had before it, during consideration of the foregoing Clause, the following joint report (May 28, 2001) from the Chief Administrative Officer, Commissioner of Corporate Services and Chief Financial Officer and Treasurer:*

*Purpose:*

*To provide further information to City Council on the Master Accommodation Plan (MAP) and the disposition of Metro Hall as requested by the Administration Committee at its special meeting held on May 14, 2001*

*Financial Implications and Impact Statement:*

*There are no financial implications arising from the recommendations in this report.*

*Recommendations:*

*It is recommended that this report be received for information.*

*Background:*

*At its special meeting held on May 14, 2001, the Administration Committee considered the May 7, 2001 report 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". The Committee adopted several motions requesting City Officials to provide additional information on these matters and to report directly to City Council for its meeting scheduled for May 30 and 31 and June 1, 2001 (Clause No. 1 of Administration Committee Report No. 8).*

*At that time, the Committee also requested the Commissioner of Corporate Services to report further on the future of the childcare centre, the Urban Affairs Library, committee and public meeting rooms, and public art, memorial and awards collections located at Metro Hall, as requested by Council at its meeting of March 6, 7 and 8, 2001 (Clause No. 10 of Administration Committee Report No. 2), and as briefly discussed in the May 7, 2001 report on the status of MAP and disposition of Metro Hall.*

*Comments:*

*The information requested by the Administration Committee is provided below.*

*(1) Analysis of MAP Office Space and Accommodation and Service Plans*

*Motions: The Commissioner of Corporate Services be requested to report on 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.*

*The Commissioner of Corporate Services be requested to report on the accommodation and service business plan in detail.*

*Discussion:*

*As stated in the May 7, 2001 MAP status report, the MAP Project Team undertook a space analysis comparing the amount of space available in the MAP target locations with the locational requirements of each department. This analysis confirmed that there will be sufficient space available in the MAP target locations to accommodate the locational requirements of the various workgroups. This fit will be achieved by redistributing or dispersing workgroups to the North, East and West Districts, acquiring the two Toronto District School Board buildings, leasing 210,000 square feet of space in Metro Hall in the short term for South District staff, and then relocating them to an equivalent amount of class B office space to be acquired elsewhere in the Downtown area.*

*Using the model referred to as the “City Hall and the Four Districts” model approved by City Council in December 1999, the MAP Team working in consultation with all City departments developed an allocation plan that will distribute City staff to their appropriate locations to ensure an effective and efficient delivery of services to the public and the cost effective use of space. It should be noted that the four MAP District Service Centres will accommodate the staff serving the six Community Councils.*

*The MAP Allocation Plan was developed using the following process:*

- *each department identified the staff workgroups to be allocated to MAP target locations;*
- *each workgroup was classified by major function such as head office, district office, corporate, transactional processing units, divisional head office, etc;*
- *the MAP target locations were classified as follows:*
  - (i) *Head Office:* *City Hall, 79 - 81 and 112 Elizabeth Street*
  - (ii) *Four District Service Centres:*
    - South* - *Metro Hall (210,000 square feet) or Alternate Class B Downtown Office Space*
    - North* - *Former North York Civic Centre*
    - East* - *Former Scarborough Civic Centre*
    - West* - *Former Etobicoke Civic Centre*
  - (iii) *Satellite offices:* *other MAP buildings in each district*
    - To be used for corporate functions on a distributed basis for:*
      - *transactional processing units*
      - *divisional head offices*
      - *other centralized functional units*
      - *specialized workgroups having minimal public interaction or specific interaction in a particular field*
- *workgroups were then matched to MAP locations by classification (i.e. a Head Office workgroup was allocated to a Head Office location, etc.).*

*The MAP Allocation Plan (i.e. who goes where) has recently been finalized and signed off by all six Commissioners. A copy of the detailed plan is available to all Members of Council upon request. However, it should be noted that there will be ongoing changes to the allocation plan resulting from the detailed needs assessments of workgroups relocating to MAP target locations at each phase and the completion of the MAP sequencing plan.*

*In distributing staff to district MAP target locations, the district that appears lop-sided is the East District which includes buildings currently owned by the City that will be used to meet the functional requirements identified by departments. This district includes such buildings as 703 Don Mills Road which accommodates the City's data centre and will be used to further consolidate the City's Information and Technology Division, and two buildings that are currently used as health centres.*

(2) *Council Space Needs, Staff Needs for Meeting and Training Rooms, Citizen Space Needs*

*Motions: The Commissioner of Corporate Services be requested to report on support needs for Council, including meeting rooms.*

*The Commissioner of Corporate Services be requested to report on staff needs such as meeting and training rooms.*

*The Commissioner of Corporate Services be requested to report on citizen space needs, including public meeting space and assembly space and space for volunteers/voluntary organizations.*

*The Commissioner of Corporate Services be requested to report on where committee meetings presently held in Metro Hall will be held in the future.*

*Discussion:*

*The MAP Team has undertaken an analysis of the user groups, the space needs and frequency of use of the public meeting rooms located on the third floor of Metro Hall. The analysis concluded that the space is being used by many non-profit, voluntary and citizens groups and organizations and by City staff primarily located at Metro Hall. As discussed below, it is anticipated that if Metro Hall is sold, the public will be able to use the increased meeting space at City Hall and at the former civic centres. Further, the intent is to provide meeting space in all MAP target locations to address the needs of workgroups relocating from Metro Hall.*

*The MAP Team has identified that, based on the results of two recent surveys assessing Councillors' constituency office, meeting and storage space needs, it will be possible to reclaim some of the space formerly used by Councillors on the second floor of City Hall and at the former civic centres to create additional meeting rooms for use by Councillors, staff and the public to offset the loss of meeting room space if Metro Hall is sold.*

*Plans call for the vacant space previously used as Councillors' office suites on the second floor of City Hall to be modified to create small and large meeting rooms to absorb a portion of the meeting room needs for Councillors and staff, thus freeing up some of the existing meeting areas for the public. Additional Councillors storage space will also be created.*

*The MAP Team is also examining how touch down space can be provided at City Hall, either on the second floor or in one of the two office towers, for use by citizen and voluntary group representatives when they are attending Council and committee meetings at City Hall.*

*Space formerly used as Councillors' offices in the former civic centres will be reclaimed on a building by building basis for use as general meeting rooms, staff training rooms, and touch-down spaces for use by Councillors and staff. Furthermore, the space planning for all MAP target buildings will ensure that adequate meeting spaces are provided to meet the needs of workgroups relocating to their final target locations.*

*The MAP Project Team is also examining where staff training space can be accommodated throughout the City's building portfolio.*

*(3) Transit Accessibility and Building Accessibility*

*Motion: The Commissioner of Corporate Services be requested to report on a transit accessibility plan and an accessibility plan for any proposed additional/new space.*

*Discussion:*

*(a) Transit Accessibility*

*Chart 1 (see Appendix A attached) indicates that all MAP target locations are served by public transit. The MAP Project Team has assessed that current public transit availability at peak hours is excellent and would not be improved by providing bus shuttle service. The MAP Team will contact TTC to explore possible ways to improve transit accessibility if required for off-peak hours.*

*For MAP east and west satellite locations, the MAP Team is investigating access from the GO stations to determine if bus shuttle service may be necessary.*

*However, it should be noted that any measures to provide additional bus shuttle services would result in increased costs to MAP that will be offset by utilizing proceeds from the sale of Metro Hall.*

*(b) Building Accessibility*

*To further the City's commitment to ensuring accessibility for persons with disabilities, the City is currently in a Request For Proposals (RFP) process to retain external services to develop new accessibility guidelines for the City, conduct accessibility audits for a range of City owned buildings, identify priorities for remedial action and a five year work plan, and develop a long term budgeting plan to undertake the remedial work necessary. The project will give high priority to addressing the accessibility issues relating to MAP target locations such as City Hall and the district service centres.*

*(4) Discussions with CUPE Local 79 and COTAPSAI*

*Motion: The Commissioner of Corporate Services be requested to report on appropriate staff meetings with representatives of CUPE Local 79 and COTAPSAI on any and all concerns raised by these organizations.*

*Discussion:*

*City staff met with representatives of CUPE Local 79 on May 3, 2001 and COTAPSAI representatives on May 23, 2001 to discuss their concerns about the impact of office moves on the staff they represent. Representatives from both of these organizations made deputations to the May 14, 2001 Administration Committee meeting to outline their concerns about the MAP project and the possible sale of Metro Hall. The issues raised by these organizations to date as highlighted in their deputations are summarized in Appendix B (attached), along with the MAP Project Team's responses.*

*There is agreement with CUPE Local 79 representatives that the City's employees are its most valuable resource. All efforts are being made to respond to the needs and concerns of staff and to ensure that the staff relocations are carried out as smoothly as possible. The MAP Team intends to proactively communicate with both organizations and to meet with them on a regular basis.*

(5) *MAP Consulting Services*

*Motion: The Commissioner of Corporate Services be requested to report on the use of consultants (other than consulting architects) in terms of number of individuals, special skills provided and contract duration.*

*Discussion:*

*To supplement City staff working on the MAP project, eight individuals are providing contracted services related to the project management office, public communications, voice and telecom service coordination, and I & T equipment and network move coordination. Contracts for two of these individuals will be terminated by the end of 2001, with the other six individuals remaining on contract for the duration of the project ending in 2003.*

(6) *Staff Moving Costs and Realty Commissions for Purchase and Sale of Buildings*

*Motion: The Commissioner of Corporate Services be requested to report on the total expenditures for staff moving costs and realty commissions payable in relation to planned purchase and sale of buildings.*

*Discussion:*

(a) *Staff Move Costs*

*Staff move costs including workstation reconfigurations associated with the implementation of Option 1a for the sale of Metro Hall are approximately \$4 million.*

(b) *Realty Commissions for Purchase and Sale of Buildings*

*With respect to the sale of Metro Hall, the joint report (February 5, 2001) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, adopted as amended by City Council at its meeting of March 6, 7 and 8, 2001 (Clause No. 10 of*

*Administration Committee Report No. 2), identified that the remuneration for the consulting and brokerage services for the marketing and sale of Metro Hall will be based on 0.65 percent of the eventual sale price of the Metro Hall property.*

*There will be no realty commissions paid by the City for the acquisition of the Toronto District School Board's North York and Scarborough administrative buildings.*

*(7) Operating Budget Impacts and Capital Cash Flows*

*Motion: The Chief Financial Officer and Treasurer be requested to report providing financial data separately for operating budget impacts and Capital cash flows.*

*Discussion:*

*(a) Operating Budget Pressures from MAP*

*As a result of MAP, operating budget pressures are recognized primarily in two areas:*

- (i) the previously acquired Hydro facilities; and*
- (ii) the pending acquisition of two TDSB buildings.*

*A long-range plan has been established predicated on transitioning the Metro Hall operating budget to the above-mentioned facilities upon the successful sale of Metro Hall.*

*As discussed with the Finance Department, it is further recognized that there will be a transition period of approximately 1.5 years for the Hydro facilities and approximately 6 months for the TDSB facilities whereby the operating expenses will require funding from the Metro Hall contingency fund.*

*(b) MAP Phase II Projected Capital Cash Flows*

*As explained in the previous MAP status report and shown on Table 1 (attached in Appendix C), based on a revised budget of \$43.2 million, the MAP Phase II expenditures as of December 2000 were \$2.7 million and the projected capital cash flows for 2001 to 2003 are:*

- \$14 million for 2001;*
- \$20 million for 2002; and*
- \$6.5 million for 2003.*

*Table 1 also shows cash flows for the City Hall Main Floor rehabilitation work projected at \$1 million for 2001 and \$1.736 for 2002. Cash flows for the Nathan Phillips Square Design Competition project (which still requires Council's further approval to proceed after Council deferred the matter in January 2001) are projected at \$200,000 for 2001 and \$125,000 for 2002.*

(8) *MAP Phase II Budget Reallocation*

*Motion: The Chief Financial Officer and Treasurer be requested to report 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.*

*Discussion:*

*The May 7, 2001 MAP report advised that no new funds will be required to offset the budget pressure of \$9.3 million on MAP Phase II resulting from the expanded scope of work and current budget pressures to capitalize staff costs to capital projects. The report recommended that the previously approved funding of \$46.4 million (consisting of \$38.2 million for MAP Phase II, \$7.7 million for the City Hall Main Floor renovations, and \$0.5 million for the Nathan Phillips Square design competition) be reallocated to \$43.2 million for MAP Phase II, \$2.7 million for the City Hall Main Floor project component and \$0.5 million for the Nathan Phillips Square design competition.*

*This reallocation of funds and efficiencies that will be gained by utilizing the construction management process recommended in the report, along with reallocating MAP contingency funds set aside for non-construction items will enable the project to absorb the \$9.3 million budget pressure.*

*This means that no new funds are being requested to offset the \$9.3 million dollar budget pressure on MAP Phase II. Instead, the MAP report outlined an approach to adjust and reallocate funds within the previously approved MAP budget envelope.*

(9) *Space in North York and Scarborough TDSB Administration Buildings*

*Motion: 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.*

*Discussion:*

*Following a space analysis of the two TDSB administrative buildings, the MAP project architect has concluded that the office floors in both buildings when reconfigured based on the MAP space guidelines will provide an efficient use of space.*

*The table below compares the actual rentable floor area and the available floor area for MAP use in each of the TDSB buildings. The floor area available for use by MAP is less than the rentable floor area because it excludes the mechanical and basement areas and any fixed space occupied by such uses as cafeterias that would not be suitable or cost effective to convert for general office functions. The basement areas may be utilized for staff training, meeting rooms and storage on a building by building basis depending on the final staff allocations to these buildings.*

<i>TDSB BUILDING LOCATION</i>	<i>RENTABLE FLOOR AREA (Approx.)</i>	<i>MAP AVAILABLE FLOOR AREA (Approx.)</i>	<i>VARIANCE</i>
<i>North York School Board Building – 5050 Yonge Street</i>	<i>114,000 sq. ft.</i>	<i>84,000 sq. ft.</i>	<i>30,000 sq. ft.</i>
<i>Scarborough School Board Building – 140 Borough Drive</i>	<i>113,000 sq. ft.</i>	<i>77,000 sq. ft.</i>	<i>36,000 sq. ft.</i>
<i>TOTAL</i>	<i>227,000 sq. ft.</i>	<i>161,000 sq. ft.</i>	<i>66,000 sq. ft.</i>

*When comparing the two TDSB buildings to other comparable general office buildings, the ratio of public, basement and mechanical areas would be similar. Further, compared to Metro Hall, the two TDSB buildings have a lower proportion of public space (i.e. space not used for general office purposes).*

*(10) Public Art and Memorial and Awards Collections at Metro Hall*

*Motions: The Commissioner of Corporate Services be requested to report on proposals with respect to art and artistic elements at Metro Hall.*

*The Commissioner of Corporate Services be requested to report on the future of the Terry Fox Hall of Fame, located on the east side of Metro Hall.*

*The Commissioner of Corporate Services be requested to report on where the Gardiner awards collections will be located.*

*Discussion:*

*MAP Team staff members have met with staff from the Culture Division of Economic Development, Culture and Tourism which has responsibility for the City of Toronto’s public art to discuss the public art located at Metro Hall. Culture Division staff are currently validating the existing inventory of art that will need to be considered depending on the disposition of Metro Hall.*

*A workgroup composed of staff from the Culture and Protocol Divisions and the MAP Team will be established to assess all the public art and commemorative installations currently housed at Metro Hall and formulate recommendations consistent with the future use and occupancy of the building.*

*The workgroup will develop an action plan to ensure conservation and continued public access to the public art commissioned for Metro Hall and the commemorative installations currently located there. This will include a review of the future use and occupancy of Metro Hall and the potential relocation of public art, awards, memorials and other commemoratives, as deemed appropriate by the Culture and Protocol Divisions in consultation with the respective artists and any relevant contributors. Consideration will be given to relocating artwork and commemorative pieces such as the Terry Fox Hall of Fame and the Gardiner awards collection from Metro Hall to other prominent City buildings such as City Hall and the district service centres that are fully accessible to the public. The cost for these relocations will be funded from the proceeds of the sale of Metro Hall.*

(11) *Metro Hall Childcare Centre*

*Motion: The Commissioner of Corporate Services be requested to report on the future of the Child Care Centre located at Metro Hall.*

*Discussion:*

*The Metro Hall Childcare Centre has been used since its inception primarily as a workplace childcare centre for municipal employees. When it first opened, the former Metro provided an operating grant to offset the rent and occupancy costs. This operating grant was eliminated in or about 1995 and was replaced with the provision of free occupancy.*

*Discussions have been held with staff from the Children's Services Division of Community and Neighbourhood Services who indicated it would be preferable to retain the centre at its current location at Metro Hall. They pointed out that it was public money that was used in the first place to build the childcare centre and there would be significant capital costs associated with relocating it.*

*If Metro Hall is sold, it will be necessary for Council to decide on the continuation of the childcare centre at Metro Hall that could be accommodated through a leaseback with the new building owner. However, given that the lease and operating cost for this space would be in the order of \$285,000 per year, which is not currently available in the childcare centre's budget, the City would have to reinstate an operating grant to the centre to cover this cost. The centre staff advised that it is unlikely that this additional cost would be cost-shareable with the Province, and, therefore, the City would be required to fund 100% of this cost.*

*The lease and operating cost for the centre could be funded from the sale of Metro Hall pending the reinstatement of an operating grant by the City or securing other funding mechanisms.*

(12) *Relocation of Urban Affairs Library to City Hall*

*Motion: The Commissioner of Corporate Services be requested to report on the suitability of the City Hall basement for the Urban Affairs Library, including both load bearing and atmospheric needs.*

*Discussion:*

*As stated in the previous MAP status report, discussions are currently underway with Library Board staff on the plans to rehabilitate the space in the basement of City Hall to facilitate the relocation of the Urban Affairs Library from Metro Hall in accordance with City Council's approval in December 1999. A budget of \$875,000 has been allocated for this activity as part of the Council approved MAP Phase II budget.*

*Issues concerning the suitability of the City Hall space, including load bearing and atmospheric needs of this space are being examined and any serious problems that cannot be resolved to ensure the successful implementation of this project will be reported to City Council in a timely manner.*

Conclusions:

*A detailed report on the Master Accommodation Plan and the disposition of Metro Hall was presented to the Administration Committee on May 14, 2001. This report responds to issues raised by the Committee at that time. It is intended to give City Council more information to assist it in its deliberations on important matters concerning the allocation of the City's office accommodation and the future of Metro Hall.*

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List of Attachments:

*APPENDIX A: Chart 1 – Public Transit Accessibility to MAP Locations  
APPENDIX B: Response to CUPE Local 79 and COTAPSAI Issues with MAP  
APPENDIX C: TABLE 1 – Master Accommodation Plan - PHASE II Revised Cash Flow  
2001 – 2003*

**APPENDIX A**  
**CHART 1 - Public Transit Accessibility to MAP Locations**

<i>MAP Target Locations/Buildings</i>	<i>Toronto Transit Commission</i>	<i>GO Transit</i>
<i>City Hall</i>	<i>Subway: Yonge Line (Queen or Dundas); University/Spadina Line (St. Patrick or Osgoode) Buses: #6 Bay Streetcar: #501 or 502 Queen; #505 Dundas</i>	<i>GO Trains stop at Union Station. From there, either take the TTC or walk north along Bay Street to Queen Street.</i>
<i>112 Elizabeth Street</i>	<i>Subway: Yonge Line (Queen or Dundas); University/Spadina Line (St. Patrick or Osgoode) Buses: #6 Bay Streetcar: #501 or 502 Queen; #505 Dundas</i>	<i>GO Trains stop at Union Station. From there, either take the TTC or walk north along Bay Street to Hagerman Street and Elizabeth Street</i>
<i>75-81 Elizabeth St.</i>	<i>Subway: Yonge Line (Queen or Dundas); University/Spadina Line (St. Patrick or Osgoode) Buses: #6 Bay Streetcar: #501 or 502 Queen; #505 Dundas</i>	<i>GO Trains stop at Union Station. From there, either take the TTC or walk north along Bay Street to Hagerman Street and Elizabeth Street</i>
<i>Metro Hall</i>	<i>Subway: University/Spadina Line (St. Andrew) Streetcar: #504 or 508 King; #503 at King and York – travels east along King Street.</i>	<i>GO Trains stop at Union Station. By TTC, one station north on the University/Spadina line to St. Andrew. You can walk west from Union Station, either above ground or using the PATH underground walkways.</i>
<i>North York Civic Centre</i>	<i>Subway: Yonge Line (North York Centre) Bus: #197 North Yonge</i>	<i>GO Bus along Yonge Street, New Market to York Mills return (weekdays, rush hours only) stops in front of the Civic Centre upon request.</i>
<i>North York Board of Education</i>	<i>Subway: Yonge Line (North York Centre) Bus: #197 North Yonge</i>	<i>GO Bus along Yonge Street, New Market to York Mills return (weekdays, rush hours only) stops in front of the Board of Ed upon request.</i>
<i>18 Dyas Road</i>	<i>Subway/Buses: Yonge Line (York Mills) then #95 bus east to Upjohn Road; or #122 bus east, to Lesmill Road, just west of Upjohn Road. Scarborough LRT: To Ellesmere then #95 bus west to Upjohn Road.</i>	<i>GO bus to York Mills station then take buses as noted under Public Transit.</i>
<i>Scarborough Civic Centre</i>	<i>Subway: Bloor/Danforth Line (Kennedy) then Scarborough LRT to Scarborough Town Centre Buses: #16 or #129 McCowan; #95 York Mills E. (Ellesmere); #21 Brimley North</i>	<i>GO Bus To Scarborough Town Centre.</i>
<i>Scarborough Board of Education</i>	<i>Subway: Bloor/Danforth Line (Kennedy) then Scarborough LRT to Scarborough Town Centre Buses: #16 or #129 McCowan; #95 York Mills E. (Ellesmere); #21 Brimley North</i>	<i>GO Bus To Scarborough Town Centre.</i>
<i>Scarborough Health Centre</i>	<i>Subway: Bloor/Danforth Line (Kennedy) then Scarborough LRT to Scarborough Town Centre Buses: #16 or #129 McCowan; #95 York Mills E. (Ellesmere); #21 Brimley North</i>	<i>GO Bus To Scarborough Town Centre.</i>

<i>MAP Target Locations/Buildings</i>	<i>Toronto Transit Commission</i>	<i>GO Transit</i>
<i>East York Civic Centre</i>	<i>Subway/Buses: Bloor/Danforth Line to Coxwell, then #70 bus north. Or Bloor/Danforth Line to Main St.; then #62 Mortimer bus east or #64 Main St. bus north.</i>	<i>GO train stops at Danforth station (Main St.) from there take #62 Mortimer bus east or #64 Main Street bus north.</i>
<i>1530 Markham Road</i>	<i>Subway/Buses: Bloor/Danforth Line (Warden) then bus #102, 102B or 102C Markham Road to Markham Road and Milner Road or Bloor/Danforth Line (Kennedy) then Scarborough LRT to Scarborough Town Centre; then bus #132 Milner Road to Markham Road and Milner Road (rush hour and evening service only)</i>	<i>GO train to Rouge Hill; then #85 A, D or E bus to Sheppard Avenue and Markham Road; transfer to #102 Markham Road Bus (south) or GO train to Agincourt; then #85 bus (all except "G") to Sheppard Avenue and Markham Road; transfer to Markham Road bus (south).</i>
<i>55 Town Centre</i>	<i>Subway: Bloor/Danforth Line (Kennedy) then Scarborough LRT to Scarborough Town Centre Buses: #16 or #129 McCowan; #95 York Mills E. (Ellesmere); #21 Brimley North</i>	<i>GO Bus To Scarborough Town Centre.</i>
<i>703 Don Mills Road</i>	<i>Subway/Buses: Bloor/Danforth Line (Pape); then #25 Don Mills bus north or Yonge Line (Eglinton) then #34 Eglinton East bus; transfer to #25 Don Mills bus south.</i>	<i>GO trains stop at Union Station and Danforth Station. Transfer to TTC Bloor/Danforth Line at Main Street station.</i>
<i>Etobicoke Civic Centre</i>	<i>Subway/Buses: Bloor/Danforth Line (Islington) then #50 Burnhamthorpe bus west to the West Mall or Bloor/Danforth Line (Kipling) then #112 West Mall bus north to Burnhamthorpe Road.</i>	<i>GO trains stop at Etobicoke North station. From there take #45 Kipling bus south to Burnhamthorpe Road and transfer to #50 bus south to the West Mall.</i>
<i>Etobicoke Hydro</i>	<i>Subway/Buses: Bloor/Danforth Line (Islington) then #50 Burnhamthorpe bus west to the West Mall or Bloor/Danforth Line (Kipling) then #112 West Mall bus north to Burnhamthorpe Road.</i>	<i>GO trains stop at Etobicoke North station. From there take #45 Kipling bus south to Burnhamthorpe Road and transfer to #50 bus south to the West Mall.</i>
<i>York Civic Centre</i>	<i>Subway/Buses: University/Spadina Line: Eglinton West; then #32 bus west Bloor/Danforth Line: Keele; then #41 bus north</i>	<i>GO Buses stop at Yorkdale station. From there, take TTC to Eglinton West station.</i>

**APPENDIX B**  
**RESPONSE TO CUPE LOCAL 79 AND COTAPSAI ISSUES WITH MAP**

*(a) CUPE Local 79 Issues*

*Issue: The Union stated that “the City needs good quality office space that is centrally located close to City Hall and on the subway line”, and, therefore, Metro Hall should not be sold.*

*Response: Option 1a for the disposition of Metro Hall calls for the sale of Metro Hall and the acquisition of an alternate 210,000 square feet of class “B” downtown office space to house South District and head office staff. This space will be centrally located and served by public transit. Class “B” office space is good quality office accommodation.*

*Issue: The Union indicated that “a number of moves, including to temporary or ‘swing’ sites, have already occurred...to new work locations far from their (employees’) previous place of work”.*

*Response: Approximately 450 staff have been relocated to MAP target locations as existing leases have been collapsed (and annual savings realized). The ongoing use of temporary space is necessary while MAP target locations are being rehabilitated to accommodate final staff relocations. In all cases, the goal is to minimize the number of moves required. Hardship cases are being treated on an individual basis.*

*Issue: The Union advised that its “members have been moved across the City, to a site distant from their homes” and that “what the report refers to as ‘inconvenience and disruption ‘ are emerging as major issues contributing to deteriorating staff morale”.*

*Response: All departments have confirmed their space requirements related to the district service model and cost-effective, improved service to the public. Approximately 2000 staff will experience a move from one district to another as work groups and related functions are brought together and transactional functions are relocated to more cost-effective space owned by the City. For many employees, the new work location will be closer to their home. Positive feedback on the relocations has far outweighed negative comments to date.*

*It is understood that moving to a new location can be very disruptive and emotional for staff. All efforts are being made to address staff concerns. Options being considered include flex-time, an interim parking policy, site visits, childcare and shuttle service. All proposed work locations are served by public transit.*

*There will be ongoing discussions with CUPE to provide required information and to address the concerns of staff.*

(b) *COTAPSAI Issues*

*Issue:* COTAPSAI referred to a Protocol for Service or Staff Relocation received by the Association in August 1998.

*Response:* This document was developed as a checklist for activities when a service or a group of staff was being relocated “in 1998 as a result of amalgamation”. It was the framework for preparation of a relocation plan. While not in the context of amalgamation, MAP is such a plan.

*Issue:* Relocation has a significant impact on employees, both professionally and personally.

*Response:* All efforts are being made to address staff concerns. Options being considered include flextime, an interim parking policy, site visits, childcare and shuttle service.

*Issue:* COTAPSAI is pleased that there is a “communication strategy” to ensure that all parties are communicated with and kept informed.

*Response:* The communication strategy includes:

- regular advice/information to COTAPSAI, as well as the union;
- as much advance notice as possible to employees - a minimum of one month/four weeks; and
- input from employees, as well as COTAPSAI and the union with respect to impact on employment, personal expenses, working conditions and environment, and service to customers.

*It should also be pointed out that employees interested in a transfer are encouraged to access the regular job posting process. In addition, requests may be considered first within the employee’s immediate work unit; within the division and within the department. Requests will be related to positions which have the same role and responsibilities within the same job classification:*

- with the same qualification/skill requirements;
- based on operational needs as determined by management; and
- considering personal suitability.

*However, it may not be possible to accommodate all requests for transfer.*

*There is acknowledgement as follows of the COTAPSAI’s “Master Accommodation Plan General Principles for Relocation”:*

- there are professional and personal impacts on employees due to relocations.
- there will be as much advance notice as possible to staff concerning relocations- a minimum of one month/four weeks.

- *the district service model will result in improved service to the public. Any and all changes to service to the public will be communicated in advance.*
- *all proposed work locations are served by public transit.*
- *all efforts are being made to address staff concerns and to ensure that the moves are as smooth as possible*
- *Management is concerned about the employee's health, safety and well-being in the relocations.*
- *alternative work arrangements are being considered as a corporate initiative in addition to MAP.*

*There is agreement with COTAPSAI's request for regular monthly meetings regarding the Master Accommodation Plan.*

APPENDIX C

TABLE 1 - MASTER ACCOMMODATION PLAN - PHASE 2 Revised Cash Flow 2001 - 2003

Activity	Approved Budget	Revised Budget	Expenditures as of Dec. 2000	Balance to be Cash Flowed	2001	2002	2003
MAP Phase 2	38.200	43.200	2.700	40.500	14.000	20.000	6.500
City Hall Grnd. Fl.	7.736	2.736	0.000	2.736	1.000	1.736	
NPS Competition	0.500	0.500	0.175	0.325	0.200	0.125	
<b>TOTAL</b>	<b>46.436</b>	<b>46.436</b>	<b>2.875</b>	<b>43.561</b>	<b>15.200</b>	<b>21.861</b>	<b>6.500</b>

*Note: Cash Flow is predicated on the approval of transferring \$5.0 from City Hall Ground Floor to MAP Phase 2.*

*(City Council also had before it, during consideration of the foregoing Clause, a copy of Presentation #1, headed "Master Accommodation Plan Phase II" from the Chief Administrative Officer, and a copy of Presentation #2, headed "Master Accommodation Plan Phase II", from the Commissioner of Corporate Services.)*

*(A copy of the above-noted Presentations is on file in the office of the City Clerk.)*

*(City Council also had before it, during consideration of the foregoing Clause, a communication (May 29, 2001) from Mr. Gary Usling, President, Euromart International Bancorp Inc. respecting the proposed master accommodation plan and the disposition of Metro Hall, submitting an alternative option of building a new 260,000 to 270,000 square foot building to the City's specifications on existing City-owned land which would be leased to them for \$1.00 per year.)*

*APPENDIX C*

**TABLE 1 - MASTER ACCOMMODATION PLAN - PHASE 2 Revised Cash Flow 2001 - 2003**

<i>Activity</i>	<i>Approved Budget</i>	<i>Revised Budget</i>	<i>Expenditures as of Dec. 2000</i>	<i>Balance to be Cash Flowed</i>	<i>2001</i>	<i>2002</i>	<i>2003</i>
<i>MAP Phase 2</i>	38.200	43.200	2.700	40.500	14.000	20.000	6.500
<i>City Hall Grnd. Fl.</i>	7.736	2.736	0.000	2.736	1.000	1.736	
<i>NPS Competition</i>	0.500	0.500	0.175	0.325	0.200	0.125	
<b><i>TOTAL:</i></b>	<b>46.436</b>	<b>46.436</b>	<b>2.875</b>	<b>43.561</b>	<b>15.200</b>	<b>21.861</b>	<b>6.500</b>

*Note:* Cash Flow is predicated on the approval of transferring \$5.0 from City Hall Ground Floor to MAP Phase 2.