

THE CITY OF TORONTO

City Clerk's Division

Minutes of the Special Meeting of the Administration Committee

Meeting No. 7

Tuesday, July 16, 2002.

The Administration Committee met at its Special Meeting on Tuesday, July 16, 2002, in Committee Room 2, 2nd Floor, City Hall, Toronto, commencing at 9:35 a.m.

Attendance

Members were present for some or all of the time periods indicated.

	9:35 a.m. to 9:36 a.m.	In Camera 9:36 a.m. to 11:36 a.m.	11:36 a.m. to 12:27 p.m.
Councillor Doug Holyday, Chair	X	X	X
Councillor Brian Ashton	X	X	X
Councillor Rob Ford	X	X	X
Councillor Anne Johnston			
Councillor David Miller	X	X	X
Councillor Frances Nunziata Vice-Chair	X	X	X
Councillor David Soknacki	X	X	X
Councillor Paul Sutherland	X	X	X

	In-Camera 2:05 p.m. to 2:45 p.m.	2:45 p.m. to 3:35 p.m.
Councillor Doug Holyday, Chair	X	X
Councillor Brian Ashton	X	X
Councillor Rob Ford	X	X
Councillor Anne Johnston	X	X
Councillor Anne Johnston		
Councillor David Miller	X	X
Councillor Frances Nunziata Vice-Chair	X	X
Councillor David Soknacki	X	X
Councillor Paul Sutherland	X	X

Regrets:

Councillor Anne Johnston

**7.1 Request for Proposal No. 9155-01-7571
to Restore, Develop and Operate Union Station
(Ward 28 – Toronto Centre-Rosedale).**

The Administration Committee had before it the following reports:

- (I) (June 20, 2002) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, recommending that:
 - (1) Union Pearson Group Inc. the top scoring proponent, be selected as the preferred proponent;
 - (2) City staff be authorized to negotiate the appropriate legal agreements with Union Pearson Group Inc. in respect of the restoration, development and operation of Union Station in accordance with the terms set out in the Request for Proposal, to the satisfaction of the Commissioner of Corporate Services;
 - (3) in the event an agreement cannot be reached with Union Pearson Group Inc., staff be further authorized to negotiate the appropriate legal agreements with LP Heritage + Union Station Consortium;
 - (4) Union Pearson Group Inc. and LP Heritage + Union Station Consortium both be prohibited from lobbying in accordance with Council's policy until the legal agreement has been negotiated with one of the proponents and a staff recommendation made;
 - (5) the Commissioner of Corporate Services report back to Administration Committee in October, 2002 on the results of the negotiations;
 - (6) the retainer of Davies Ward Phillips and Vineberg be continued to assist in the preparation and negotiation of the required legal documentation at a cost not to exceed \$150,000; and
 - (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto; and

3
Administration Committee Minutes
Tuesday, July 16, 2002

- (II) (June 19, 2002) from the City Solicitor, advising that the Administration Committee at its meeting held March 26, 2002, during consideration of a report on the status of the Union Station Request for Proposals, requested the City Solicitor to report directly to Council on allegations of irregularities in the RFP process raised by Urquhart Consortium Inc., one of the unsuccessful respondents to the Request for Expressions of Interest; that this report responds to a request by City Council that the City Solicitor provide a public report to the Administration Committee on allegations of irregularities in the RFP process; that there are no financial implications arising from this report; that City staff have carefully reviewed the allegations raised by Urquhart with regard to the REOI process; that the REOI was clear that the intent was to pre-qualify only those teams with the skills, resources and experience necessary to redevelop Union Station; that it was within the discretion of the City to determine whether the qualifications of the respondents met the City's requirements based on a fair and equitable evaluation process; that they are satisfied that the REOI/RFP process was appropriate, fair and equitable; that based on a review of the REOI and RFP process to date, the allegations of irregularities by Urquhart are unfounded and no further action is warranted; and recommending that this report be received for information.

The following persons appeared before the Administration Committee in connection with the foregoing matter:

- Mr. Art McIlwain, Urquhart Consortium Inc., and filed a written submission in regard thereto;
- Mr. Patrick O'Leary, L. P. Heritage and Union Station Consortium;
- Mr. John Levitt, O & Y Properties Corporation;
- Mr. James Harbell, Stikeman Elliott, and filed a written submission from Mr. John Belle, Beyer, Blinder and Belle, in regard thereto;
- Mr. John Beck, Aecon Group Inc.

Ms. Patricia Simpson, Mr. Bob Wright and Mr. Hans vanPoorten provided an in-camera briefing and presentation to the Administration Committee with respect to the foregoing matter.

The Administration Committee recommended to Council:

- (I) the adoption of the joint report (June 20, 2002) from the Commissioner of Corporate Services and the Chief Financial Officer and Treasurer, subject to:

- (1) amending Recommendation No. (2) by adding to the end thereof the words “and report back to the meeting of the Administration Committee scheduled to be held on October 15, 2002, with the agreement, if reached, for the approval of Committee and Council”; and **(Motion by Councillor Miller)**
- (ii) amending Recommendation No. (3) to read as follows:
 - “(3) in the event an agreement cannot be reached with Union Pearson Group Inc., staff be required to report back to the meeting of the Administration Committee scheduled to be held on October 15, 2002, recommending that negotiations of the appropriate legal agreements with LP Heritage + Union Station Consortium be undertaken;”;
(Motion by Councillor Miller)

so that the Recommendations embodied in the aforementioned report now read as follows:

- “(1) Union Pearson Group Inc., the top scoring proponent, be selected as the preferred proponent;
- (2) City staff be authorized to negotiate the appropriate legal agreements with Union Pearson Group Inc., in respect of the restoration, development and operation of Union Station in accordance with the terms set out in the Request for Proposal, to the satisfaction of the Commissioner of Corporate Services and report back to the meeting of the Administration Committee scheduled to be held on October 15, 2002, with the agreement, if reached, for the approval of Committee and Council;
- (3) in the event an agreement cannot be reached with Union Person Group Inc., staff be required to report back to the meeting of the Administration Committee scheduled to be held on October 15, 2002, recommending that negotiations of the appropriate legal agreements with LP Heritage + Union Station Consortium be undertaken;

- (4) Union Pearson Group Inc. and LP Heritage + Union Station Consortium both be prohibited from lobbying in accordance with Council's policy until the legal agreement has been negotiated with one of the proponents and a staff recommendation made;
 - (5) the Commissioner of Corporate Services report back to Administration Committee in October 2002 on the results of the negotiations;
 - (6) the retainer of Davies Ward Phillips and Vineberg be continued to assist in the preparation and negotiation of the required legal documentation at a cost not to exceed \$150,000; and
 - (7) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto;
- (II) that Union Station be declared surplus to municipal requirements to allow negotiation of a long term lease or similar legal arrangement with either Union Pearson Group Inc., or LP Heritage + Union Station Consortium to restore, develop and operate Union Station and all steps necessary to comply with Chapter 213 of the City of Toronto Municipal Code be taken only for the consideration of Proposal No. 9155-01-7571; and in the event that negotiations are not successfully concluded under Proposal No. 9155-01-7571 with either Union Pearson Group Inc. or LP Heritage + Union Station Consortium, the foregoing declaration as surplus is rescinded; **(Motion by Councillor Soknacki)**
- (III) that the Commissioner of Corporate Services be instructed to ensure that the remainder of this process is conducted in public, save and except for financial, legal and related details of the negotiations that are required to be confidential to protect the City's financial interest and the legal rights of the proponents; **(Motion by Councillor Miller)**
- (IV) that the Commissioner of Corporate Services be requested to submit a further report to the Administration Committee on a process for public input respecting this matter; **(Motion by Councillor Ford)**

- (V) requested the City Solicitor to release a public version of the in-camera report previously tabled at Council respecting this matter; and report directly to Council for its meeting scheduled to be held on July 30, 2002, responding to Mr. McIlwain's deputation and written material submitted by him to the Administration Committee respecting this matter; and **(Motion by Councillor Miller)**

- (VI) issued confidential instructions to staff pertaining to the aforementioned matter such instructions to remain confidential in accordance with the provisions of the Municipal Act given that the subject matter relates to the security of the property of the municipality.

The following Motion was **voted on and lost**:

Councillor Ford moved that the Administration Committee defer consideration of this matter; and request the Chair of the Administration Committee to convene a special meeting of the Administration Committee prior to the July 30, 202 Council Meeting to afford both proponents an opportunity to make a 15 minute presentation respecting their proposal.

(Commissioner of Corporate Services; City Solicitor – July 16, 2002)

(Clause No. 1 – Report No. 11)

7.2 Union Station Capital Repairs.

The Administration Committee had before it a report (June 6, 2002) from the Commissioner of Corporate Services, recommending that:

- (1) the Arch window on the west side of the Great Hall be added as a new \$100,000.00 sub-project under Union Station Closing Costs to be fully funded by transferring \$100,000.00 of available net rental income funds from Facilities and Real Estate Division Operating Cost Centre CA5441;

- (2) the structural slab over the parking area of the north west moat be added as a new \$300,000.00 sub-project under Union Station Closing Costs to be fully funded by transferring \$300,000.00 of available net rental income funds from Facilities and Real Estate Division Operating Cost Centre CA5441;

- (3) the Freight Elevator located in the West Wing be added as a new \$300,000.00 sub-project under Union Station Closing Costs to be fully funded by transferring \$300,000.00 of available net rental income funds from Facilities and Real Estate Division Operating Cost Centre CA5441; and
- (4) City staff be authorised to take the necessary action to give effect thereto.

On motion by Councillor Sutherland, the Administration Committee recommended to Council the adoption of the foregoing report (June 6, 2002) from the Commissioner of Corporate Services.

The following Motion was **voted on and lost**:

Councillor Soknacki moved that the Administration Committee recommend to Council the adoption of Recommendations Nos. (2) and (4) as contained in the foregoing report (June 6, 2002) from the Commissioner of Corporate Services and that consideration of Recommendations Nos. (1) and (3) be deferred until such time as a preferred proponent has been identified.

(Clause No. 2 – Report No. 11)

7.3 Union Station – Request for Proposals.

The Administration Committee had before it a report (June 19, 2002) from the City Solicitor advising that the Administration Committee at its meeting held March 26, 2002, during consideration of a report on the status of the Union Station Request for Proposals, requested the City Solicitor to report directly to Council on allegations of irregularities in the RFP process raised by Urquhart Consortium Inc., one of the unsuccessful respondents to the Request for Expressions of Interest; that this report responds to a request by City Council that the City Solicitor provide a public report to the Administration Committee on allegations of irregularities in the RFP process; that there are no financial implications arising from this report; that City staff have carefully reviewed the allegations raised by Urquhart with regard to the REOI process; that the REOI was clear that the intent was to pre-qualify only those teams with the skills, resources and experience necessary to redevelop Union Station; that it was within the discretion of the City to determine whether the qualifications of the respondents met the City's requirements based on a fair and equitable evaluation process; that they are satisfied that the REOI/RFP process was appropriate, fair and equitable; that based on a review of the REOI and RFP process to date, the allegations of irregularities by Urquhart are unfounded and no further action is warranted; and recommending that this report be received for information.

**(Considered with Item No. 7.1- See Minute No. 7.1)
(Clause No. 1 – Report No. 11)**

7.4 Federal and Provincial Surplus Land Programs for Homelessness: Acquisition of Property Located at 20 Sewells Road at no Cost to the City (Ward 42 – Scarborough-Rouge River).

The Administration Committee had before it a report (June 25, 2002) from the Commissioner of Community and Neighbourhood Services, recommending that:

- (1) the acquisition of the Property from Canada and Ontario at nominal consideration be approved, subject to the terms and conditions outlined in this report;
- (2) authority be granted for the execution of an Agreement of Purchase and Sale with Canada and Ontario and any other related agreements deemed appropriate to facilitate the acquisition of the Property at nominal consideration plus applicable taxes, and upon such terms and conditions as are satisfactory to the Commissioner of Corporate Services, in consultation with the Commissioner of Community and Neighbourhood Services, all in a form acceptable to the City Solicitor;
- (3) the City Solicitor be authorized and directed to complete this Property transaction on behalf of the City, including payment of any associated closing expenses and taxes, and be further authorized to amend the closing date to such earlier or later date as considered reasonable;
- (4) the appropriate City officials be authorized and directed to prepare a Property survey suitable for closing and to furnish any legal descriptions, to the extent this becomes necessary; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Sutherland, the Administration Committee recommended to Council the adoption of the foregoing report (June 25, 2002) from the Commissioner of Community and Neighbourhood Services.

(Clause No. 3 – Report No. 11)

7.5 Lease of City Owned Property North and South Buildings at 245 Queens Quay West, (Ward 20 – Trinity-Spadina)

The Administration Committee had before it a report (June 14, 2002) from the Commissioner of Corporate Services, recommending that:

- (1) authority be granted to lease the north building to Bambu Dining Lounge Ltd. in accordance with the terms and conditions as outlined herein and in a form acceptable to the City Solicitor;
- (2) authority be granted to draw funds from the rent payments to pay for the commission to J. J. Barnicke Limited as outlined herein;
- (3) the City Solicitor be authorized to prepare and have executed the appropriate lease documentation;
- (4) the “Programming Lease” with Harbourfront Corporation (1990) carrying on business as Harbourfront Centre be amended to include both the north and south buildings at 245 Queens Quay West, subject to the terms and conditions contained herein; and
- (5) the appropriate City officials be authorized and directed to take the necessary action to give effect thereto.

On motion by Councillor Nunziata, the Administration Committee recommended to Council the adoption of the foregoing report (June 14, 2002) from the Commissioner of Corporate Services.

(Clause No. 4 – Report No. 11)

The Administration Committee adjourned its meeting at 3:35 p.m.

Chair.