

THE CITY OF TORONTO

City Clerk's Division

Minutes of the Special Meeting of the Administration Committee

Meeting No. 8

Friday, July 18, 2003.

A Special Meeting of the Administration Committee was held on Friday, July 18, 2003, in Committee Room 1, 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 12:37 p.m.
Councillor Brian Ashton	X
Councillor Rob Ford	X
Councillor Doug Holyday, Chair	X
Councillor Anne Johnston	X
Councillor David Miller	X
Councillor Frances Nunziata Vice-Chair	X
Councillor Paul Sutherland	X
Councillor David Soknacki	X

**8.1 Union Station Request for Proposals
Negotiations with Union Pearson Group
(Ward 28 - Toronto Centre-Rosedale)**

The Administration Committee had before it the following reports and communication:

- (1) (July 15, 2003) from the Commissioner of Corporate Services responding to the Administration Committee's request that the Commissioner of Corporate Services report back to the Administration Committee on negotiations with Union Pearson Group with respect to any necessary revisions to the timelines detailed in the Master Agreement dated January 2003 and a reduction in the length of the lease term, including the financial consequences of doing so; and recommending that:
 - (1) the Administration Committee select one of the four options outlined in the body of this report for recommendation to City Council;

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- (2) regardless of which option is recommended, the Commissioner of Corporate Services be directed to commence a state of good repair program for Union Station and include the necessary capital budget requirements in the 2004 Capital Budget;
 - (3) net revenues to the City generated from Union Station be placed in a reserve account to be used solely for Union Station purposes pending a determination of the status of the Walks and Gardens Trust;
 - (4) the Commissioner of Corporate Services be directed to continue discussions with Enwave on a mutually beneficial strategy to rationalize the provision of steam to Union Station and the adjacent buildings; and
 - (5) appropriate City staff be authorized and directed to take all necessary actions to give effect thereto;
- (2) (July 10, 2003) from the Commissioner of Corporate Services recommending that:
- (1) the Interim Building Management Agreement with Toronto Terminals Railway Limited be amended to increase the monthly management fee from \$85,032 in 2002 to \$87,583 in 2003 representing a three percent increase for this year; and
 - (2) City staff be authorised to take the necessary action to give effect thereto;
- (3) (July 16, 2003) from the Chief Financial Officer and Treasurer and the Commissioner of Corporate Services reporting confidentially, such report entitled "Union Station Request for Proposals – Negotiations with Union Pearson Group (Ward 28 – Toronto Centre-Rosedale"; and
- (4) Communication (July 10, 2003) from the Save Union Station Committee requesting the members of the Administration Committee to vote against the proposal to award a long term lease to the Union Pearson Group.

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

- Ms. Helen Riley;
- Mr. John Sewell, Save Union Station Committee;
- Mr. Lawrence David;

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- Mr. Ronald Taylor, Union Pearson Group, and filed a written submission with respect thereto;
- Mr. Cubie Dawson, Jr., Union Pearson Group;
- Mr. John Levitt, Union Pearson Group;
- Mr. Philip Stoddart, Union Pearson Group;
- Mr. Art McIlwain, President, Urquhart Consortium; and
- Mr. David Jeanes, President, Transport 2000 Canada.

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

- Councillor Sandra Bussin, Beaches-East York;
- Councillor Fred Dominelli, Davenport;
- Councillor David Shiner, Willowdale; and
- Councillor Michael Walker, St. Paul's.

The Administration Committee:

(I) recommended to Council the adoption of the report (July 15, 2003) from the Commissioner of Corporate Services subject to:

(A) amending Recommendation No. (1) to read as follows:

(1) City Council select Option C embodied in the aforementioned report, amended to read as follows:

“Option C:

Endorse the final City staff offer for a 60-year term and the revision to the closing date to February 28, 2004, as outlined in the body of this report and instruct the Commissioner of Corporate Services to reiterate this

position to UPG as a City Council position. If UPG does not accept this final offer by midnight July 22, 2003, the Commissioner of Corporate Services be directed to contact LP Heritage to commence negotiation of the appropriate legal agreements with LP Heritage to restore, develop and operate Union Station in accordance with the terms set out in the Request for Proposal, subject to a total lease term of 60 years, to the satisfaction of the Commissioner of Corporate Services;” **(Motion by Councillor Nunziata which passed on the following recorded vote:**

FOR: Ashton; Johnston; Miller; Nunziata; Soknacki

AGAINST: Ford; Holyday; Sutherland)

(B) amending Recommendation No. (2) by adding thereto the following words “and that any capital expenditures incurred by the City for emergency deferred health and safety capital maintenance items in 2003, prior to closing which represents a lasting improvement to the project be calculated in the cost adjustment provisions in the Master Agreement and the lease;” **Motion by Councillor Soknacki which passed on the following recorded vote:**

FOR: Ashton; Holyday; Johnston; Miller; Nunziata; Soknacki; Sutherland;

AGAINST: Ford)

so that the recommendations contained in the aforementioned report now read as follows:

- “(1) City Council select Option C embodied in the aforementioned report, amended to read as follows:

“Option C:

Endorse the final City staff offer for a 60-year term and the revision to the closing date to February 28, 2004, as outlined in the body of this report and instruct the Commissioner of Corporate Services to reiterate this position to UPG as a City Council position. If UPG does not accept this final offer by midnight July 22, 2003, the Commissioner of Corporate Services be directed to contact LP Heritage to commence negotiation of the appropriate legal agreements with LP Heritage to restore, develop and operate Union Station in accordance with the terms set out in the Request for Proposal, subject to a total lease term of 60 years, to the satisfaction of the Commissioner of Corporate Services;

- (2) regardless of which option is recommended, the Commissioner of Corporate Services be directed to commence a state of good repair program for Union Station and include the necessary capital budget requirements in the 2004 Capital Budget; and that any capital expenditures incurred by the City for emergency deferred health and safety capital maintenance items in 2003, prior to closing which represents a lasting improvement to the project be calculated in the cost adjustment provisions in the Master Agreement and the lease;
- (3) net revenues to the City generated from Union Station be placed in a reserve account to be used solely for Union Station purposes pending a determination of the status of the Walks and Gardens Trust;

- (4) the Commissioner of Corporate Services be directed to continue discussions with Enwave on a mutually beneficial strategy to rationalize the provision of steam to Union Station and the adjacent buildings; and
- (5) appropriate City staff be authorized and directed to take all necessary actions to give effect thereto;”;
- (II) recommended that the City exclude from the lease to Union Pearson Group or any other successful proponent, the steam distribution assets including the physical system, contracts and equipment and the ability to expand heating, cooling and other systems within the physical space; **(Motion by Councillor Soknacki on behalf of Councillor Shiner which passed on the following recorded vote:**
- FOR: Ashton; Holyday; Johnston; Miller; Nunziata; Soknacki; Sutherland;**
- AGAINST: Ford)**
- (III) recommended that City Council encourage Union Pearson Group or any other successful proponent, that provided the cost is competitive over the term of their lease, Union Station continue to be heated/cooled by Enwave; and **(Motion by Councillor Soknacki on behalf of Councillor Shiner which passed on the following recorded vote:**
- FOR: Ashton; Holyday; Johnston; Miller; Nunziata; Soknacki; Sutherland;**
- AGAINST: Ford)**
- (IV) recommended the adoption of the report (July 10, 2003) from the Commissioner of Corporate Services, entitled “Union Station – Interim Building Management Agreement (Ward 28 – Toronto Centre-Rosedale” wherein it is recommended that:

- (1) the Interim Building Management Agreement with Toronto Terminals Railway Limited be amended to increase the monthly management fee from \$85,032 in 2002 to \$87,583 in 2003 representing a three percent increase for this year; and
- (2) City staff be authorised to take the necessary action to give effect thereto. **(Motion by Councillor Soknacki which passed on the following recorded vote:**

FOR: Ashton; Holyday; Johnston; Miller; Nunziata; Soknacki; Sutherland;

AGAINST: Ford)

- (V) requested the Commissioner of Corporate Services to submit a report directly to Council for its meeting scheduled to be held on July 22, 2003 on:
 - (i) the appropriate decision point that properly evaluates the cost benefit of the TTC Union Station Subway entranceway identified in the report (July 15, 2003) from the Commissioner of Corporate Services pertaining to appropriate pedestrian routings; and
 - (ii) the degree to which the principal of public access and protocols are embedded in the leasing agreement; **(Motion by Councillor Ashton which passed on the following recorded vote:**

FOR: Ashton; Holyday; Johnston; Miller; Nunziata; Soknacki; Sutherland;

AGAINST: Ford)

- (VI) received the joint confidential report (July 16, 2003) from the Chief Financial Officer and Treasurer and the Commissioner of Corporate Services, entitled "Union Station Request for Proposals – Negotiations with Union Pearson Group (Ward 28 – Toronto Centre-Rosedale"; and **(Motion by Councillor Soknacki which passed on the following recorded vote:**

**FOR: Ashton; Holyday; Johnston; Miller;
Nunziata; Soknacki; Sutherland;**

AGAINST: Ford)

(VII) received the communication (July 10, 2003) from the Save Union Station Committee.

The following Motions were voted on and **lost**:

Moved by Councillor Ford:

That the Administration Committee recommend to Council that:

- (1) the report (July 15, 2003) from the Commissioner of Corporate Services, be received; and
- (2) the Commissioner of Corporate Services be requested to issue a new Request For Proposal (RFP) for the restoration, development and operation of Union Station.

Moved by Councillor Johnston:

That the foregoing motion by Councillor Ford be amended to provide that the City Solicitor be requested to report directly to Council on the legal ramifications pertaining thereto. (**which lost on the following recorded vote:**

FOR: Ford; Johnston; Miller;

**AGAINST: Ashton; Holyday; Nunziata;
Soknacki; Sutherland)**

Moved by Councillor Miller:

That the Administration Committee recommend to Council the adoption of Option C embodied in the report (July 15, 2003) from the Commissioner of

Corporate Services provided that the lease option be over 50 years. **(which lost on the following recorded vote:**

FOR: Johnston; Miller;

AGAINST: Ashton; Holyday; Ford; Nunziata; Soknacki; Sutherland)

Moved by Councillor Soknacki

That the Administration Committee recommend to Council the adoption of Option A embodied in the report (July 15, 2003) from the Commissioner of Corporate Services. **(which lost on the following recorded vote:**

FOR: Holyday; Soknacki; Sutherland

AGAINST: Ashton; Ford; Johnston; Miller; Nunziata)

Moved by Councillor Miller

That the motion by Councillor Nunziata be amended by deleting the words "by midnight July 22, 2003" and inserting in lieu thereof "midnight July 18, 2003" **(which lost on the following recorded vote:**

FOR: Johnston; Miller

AGAINST: Ashton; Holyday; Ford; Nunziata; Soknacki; Sutherland)

The following Motion was **withdrawn:**

Moved by Councillor Miller:

That the Commissioner of Corporate Services be requested to report directly to Council on:

- (1) the negotiations with Union Pearson Group;
and

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- (2) whether LP Heritage will be prepared to enter into negotiations on a 50 year lease.

The Administration Committee adjourned its meeting at 12:37 p.m.

Chair.