

TORONTO STAFF REPORT

June 20, 2006

To: Economic Development and Parks Committee

From: Donald G. Eastwood, General Manager
Economic Development Culture and Tourism

Subject: Don Valley Brick Works – Site Remediation
Ward 29 Toronto-Danforth

Purpose:

To report on a source of funding to complete the site remediation at the Don Valley Brick Works.

Financial Implications and Impact Statement:

As part of the memorandum of understanding between the City, Toronto Region and Conservation Authority (TRCA) and Evergreen contained in Clause No. 2 of Report No. 6 of the Economic Development and Parks Committee, adopted by City Council at its meeting held on September 28, 29, 30 and October 1, 2004 (the "2004 MOU"), the City remains responsible for site remediation at the Don Valley Brick Works. Based on a detailed site analysis undertaken in 2006, the latest estimate on the cost to abate the historic contamination on site has increased from \$100,000.00 to \$840,000.00. Culture has included in its Capital Plan for 2007, a request for \$100,000.00 funded from debt for site remediation and will allocate \$40,000.00 from the 2007 Preventive Maintenance project to Bricks Works remediation. In order for Evergreen to proceed with the adaptive reuse of the Brick Works in 2007, the City needs to begin the site remediation in 2006.

The General Manager of Economic Culture and Tourism has been directed to review the Culture five-year Capital Plan to identify an additional source of funding. Staff have reviewed the 2006 Culture Capital program and have determined that funding of \$700,000.00 for the construction phase of the Guild Revitalization project (CAC045-01) can be directed to Brick Works site remediation as the construction at the Guild will not commence in 2006. The Guild Revitalization project is cash flowed over the years 2009, 2010 and 2011 in the Culture Capital Plan. The re-allocated cash flow of \$700,000.00 will be added to 2011 for the project and will have no impact on the 2006-2010 five-year Capital Plan targets.

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

Recommendations:

It is recommended that:

- (1) authority be granted to re-allocate \$700,000.00 from the Guild Revitalization (CAC045-01) in the Culture 2006 Capital Budget to be used for site remediation at the Don Valley Brick Works;
- (2) this report be forwarded to the Policy and Finance Committee for consideration; and
- (3) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

Council, at its meeting on September 22, 23, 24 and 25, 2003, designated Evergreen as the preferred proponent for the Don Valley Brick Works project pursuant to RFP 9155-03-7045. Council directed the Commissioner of Economic Development, Culture and Tourism to negotiate a Memorandum of Understanding containing key terms of an agreement that would facilitate the adaptive re-use of the heritage structures by Evergreen and to provide for appropriate levels of maintenance and public programming to animate the Site on terms satisfactory to the Commissioner and in a form satisfactory to the City Solicitor. Council, on September 28, 29 30 and October 1, 2004 approved the 2004 MOU setting out key terms and conditions of a twenty-one (21) year less-a-day Lease to be negotiated.

Under the terms of the MOU, the City of Toronto remains responsible for Site remediation. Culture has included in its Capital budget for 2007, a request for \$100,000 funded from debt for Site remediation. With the undertaking of the Environmental Assessment by CH2MHILL in January 2006, the estimated cost to remove the designated substances has increased significantly from the original estimate of \$100,000 to \$840,000. This new estimate has been prepared by City staff and reviewed by a qualified contractor. The removal of designated substances from the Site must be complete in order for Evergreen to secure a building permit through the Buildings Department.

The report to the Administration Committee from the Chief Corporate Officer and the General Manager of Economic Development, Culture and Tourism on the Evergreen lease directs staff to review the five-year Culture Capital Plan to identify a source of funding to complete the site remediation.

Comments:

Culture has included in its Capital Plan for 2007 a request for \$100,000.00 funded from debt for site remediation and will allocate \$40,000.00 from the 2007 Preventive Maintenance project to

Bricks Works remediation. Staff have reviewed the five-year Culture Capital program and can report that the Guild Revitalization project is still in negotiations with the Council approved proponent. The approved funding of \$700,000.00 (CAC045-01) in the 2006 Culture Capital budget was intended for the construction of Phase 1 of the Cultural Precinct. It is now clear that project planning will continue in 2006 with the intention of reporting on the terms of a lease prior to the end of the Council term but construction will not commence this year. This approved 2006 funding can be re-allocated to site remediation at the Don Valley Brick Works.

Conclusions:

As directed, staff have identified a source of funding within the five-year Culture Capital Plan to complete the site remediation at the Don Valley Brick Works.

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