



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

Union Station Revitalization Implementation

Date:	May 28, 2009
To:	Executive Committee
From:	City Manager Deputy City Manager and Chief Financial Officer
Wards:	Ward 28, Toronto Centre Rosedale
Reason for Confidential Information:	This report involves a proposed or pending acquisition or disposition of land by the City or one of its agencies, boards, and commissions.
Reference Number:	P:\2009\Internal Services\F&re\Ec09024F&re - (AFS 9467)

SUMMARY

This report recommends approval of the Union Station Revitalization Project subject to approvals of funding from the Federal and Provincial Governments, execution of various documents with GO Transit and execution of a Commercial Premises Head Lease Agreement with a Head Lessee for the commercial space within the Station.

The report establishes a calendar of construction milestones to achieve completion of the project in 2015, including the “dig down” to create two new GO Transit Concourses with a new pedestrian/retail level below. The Revitalization Project also includes renovation of the West Wing office space for GO Transit, the renovation and restoration of VIA Rail areas and the revitalization of all the public spaces within the Station including the Great Hall and the ground floor of the East and West Wings. The Northwest PATH extension from the Station north up York Street will also be built simultaneously. The Revitalization will bring the entire building into a state of good repair with significant new pedestrian routes and improvements that will facilitate direct connections to other transit improvements in the area.

RECOMMENDATIONS

The City Manager and Deputy City Manager and Chief Financial Officer recommend that City Council:

1. Authorize the Chief Corporate Officer to undertake the Union Station Revitalization Project in the amount of \$640 million (excluding GST) substantially in accordance with the financial plan detailed in Confidential Attachment 1 (the “Financial Plan”), subject to:
 - a) Treasury Board approval of Federal funding in an amount substantially consistent with the Financial Plan and execution by the City and the Federal government of a contribution agreement in respect thereof;
 - b) Treasury Board and Cabinet approval of Provincial funding in an amount substantially consistent with the Financial Plan and execution of the various agreements to be entered into by the City and the Greater Toronto Transit Authority (“GO Transit”) in respect of Union Station; and
 - c) Council’s approval of the report respecting the Head Lessee and the Commercial Premises Head Lease Agreement, referred to in Recommendation 4.
2. Authorize the City to enter into a contribution agreement with the Federal government for the Federal funding to be provided for Union Station, on terms and conditions satisfactory to the City Manager and Deputy City Manager and Chief Financial Officer, and in a form satisfactory to the City Solicitor, and authorize the City Manager to execute the contribution agreement on behalf of the City.
3. Authorize the City to enter into the West Wing Strata Sale Agreement, the Concourse Strata Sale Agreement and the office space Lease with GO Transit, that were previously authorized by City Council at its meeting on December 1, 2 and 3, 2008 (GM 19.11), on certain revised terms and conditions, substantially as set out in the Transaction Summary in Attachment 8 and Confidential Attachment 1, and authorize the City to enter into any other related or ancillary agreements with GO Transit (including the Northwest PATH Agreement, as previously authorized by Council) as may be necessary in connection with the Revitalization, on terms and conditions satisfactory to the Chief Corporate Officer and in a form satisfactory to the City Solicitor.
4. Authorize the City Manager and Deputy City Manager and Chief Financial Officer to report directly to City Council at its meeting to be held on July 6 and

7, 2009 on the recommended Head Lessee and the key terms to be included in the Commercial Premises Head Lease Agreement for the commercial space within Union Station.

5. Authorize the City to extend contracts of contractors/consultants/professionals, in a form satisfactory to the Chief Corporate Officer and the City Solicitor until the Federal contribution agreement has been executed, in accordance with the details outlined in Attachment 6 (excluding taxes) as specified below:
 - (a) extend the retainer of Davies Ward Phillips & Vineberg LLP at a cost not to exceed \$300,000 ;
 - (b) extend the retainer of Deloitte & Touche LLP to undertake ongoing negotiations at a cost not to exceed \$300,000;
 - (c) extend the retainer of ARUP Canada Inc. at a cost not to exceed \$350,000;
 - (d) extend the retainer of NORR Limited Architects & Engineers, at a cost not to exceed \$8.3 million for completion of the design development and tender documentation for Stage 1 construction, including all the necessary heritage approvals;
 - (e) extend the retainer of Osler, Hoskin & Harcourt LLP to provide construction law services at a cost not to exceed \$200,000;
 - (f) extend the retainer of PCL Constructors Canada in the amount of \$1.1 million to complete interim improvements to the fire alarm systems; and
 - (g) extend the retainer of Clifford Restoration to relocate the existing sanitary sewer within the northeast Moat and initiate building envelope investigation/restoration work in advance of the construction pending on the TTC Union Station Subway , at a cost not to exceed \$1.4 million; and
 - (h) personnel services/consulting services at a cost not to exceed \$2.1 million as detailed in Attachment 6.

6. Authorize the Deputy City Manager and Chief Financial Officer to set up the obligatory Capital Reserve Funds to allow for tracking and management of any 3rd party funding to be received from the Federal government, VIA Rail and the Provincial government/GO Transit.

7. Authorize the City to enter into any necessary agreements and/or amending agreements with GO Transit, VIA Rail, The Bank of Nova Scotia, Maple Leaf Sports & Entertainment Ltd., the TTC and others, including those listed in Attachment 7, as may be necessary to achieve the Revitalization of Union Station, on terms and conditions satisfactory to the Chief Corporate Officer and in a form satisfactory to the City Solicitor, and authorize the Chief Corporate Officer to administer and manage any existing or new agreements or leases at Union Station, including the provision of any consents, approvals, notices and notices of termination, provided that the Chief Corporate Officer may, at any time, refer consideration of such matters (including their content) to City Council for its determination and direction.

8. Authorize the City to enter into an agreement, on terms and conditions satisfactory to the Chief Corporate Officer and in a form satisfactory to the City Solicitor for the lease or licence of space within the ground floor of the Station for the Air/Rail Link lobby space.
9. Authorize the City, to enter into easement and maintenance agreements as may be required, with Enwave Energy Corporation and third party users related to certain sections of the steam pipe within Union Station, on terms and conditions satisfactory to the Chief Corporate Officer and in a form satisfactory to the City Solicitor.
10. Authorize the City, to enter into new or renewed steam services agreements related to Union Station, as may be required, with Enwave Energy Corporation and third party users, on terms and conditions satisfactory to the Chief Corporate Officer and in a form satisfactory to the City Solicitor.
11. Authorize the Chief Corporate Officer, in a form satisfactory to the City Solicitor to register any necessary trademark or branding or other form of “official mark” for Union Station.
12. Authorize the City to enter into agreements/contracts with respect to a project specific insurance program for the Union Station construction project, on terms and conditions satisfactory to the Deputy City Manager/Chief Financial Officer, the Chief Corporate Officer and in a form satisfactory to the City Solicitor.
13. Authorize the public release of the confidential information in Attachment 1, after the announcements of Federal and Provincial funding, the execution of the GO Transit Strata Sale Agreements for the West Wing and Concourses as well as the office leases, and after the Head Lease Agreement with the Head Lessee has been signed.

Implementation Points

A summary of the Implementation Points is provided in Attachment 9. The summary outlines work to be coordinated by City staff, the Union Station Stakeholders and consultants to realize the revitalization of Union Station in accordance with the proposed building plans shown in Attachment 4 while maximizing its function as a transportation facility and attaining economic self sufficiency.

Financial Implications

Staff from Facilities and Real Estate, NORR Limited Architects & Engineers and Hanscomb Ltd. estimate that the total project cost is \$640 million. This figure and all other figures cited in the report do not include GST.

The 2009-2018 Approved Capital Budget, Plan and Estimates include \$615 million for the Revitalization of Union Station. Total costs are now estimated to be \$640 million and the project timeframe has also been accelerated. The 2010-2018 Capital Plan and

Estimates will need to be revised following the finalization of negotiations with the Federal and Provincial Governments, and the Head Lessee; including sources of funding: debt, recoverable debt, Federal and Provincial funds and projected head lessee revenues. This will be considered in conjunction with the City’s 2010 Capital Budget Process.

Based on the updated capital costs and estimated Federal and Provincial partnership funding related to applicable transit utilization of the Station, there is no further debt requirement beyond the 2010-2018 Capital Plan. Funding in the amount of \$18.05 million is provided for in the 2009 Capital Budget and 2010-2018 Capital Plan to fund the contractors/consultants/professionals detailed in Recommendation 5.

Upon completion of the Revitalization, it is anticipated that any increased operating costs will be recovered from tenants based on occupancy and share of common space based on usage, as outlined in Attachment 3.

Risk Analysis Summary – Financial & Construction

Item	Level of Risk	Mitigation
Design & Construction Cost	Medium	Detailed Cost Estimates/construction phasing
Operating Costs	Low	Detailed Estimates based on revitalization
Capital Revenue Sources	Low	Provincial & Federal Contributions

The risk management strategy for the revitalization of Union Station is outlined as follows:

Capital Project Costs

The capital costs associated with the revitalization and redevelopment of Union Station have been estimated by NORR Limited Architects & Engineers and Hanscomb with a reasonable contingency given the project’s risk profile. The estimate includes general conditions and construction management fees, design and pricing allowance, phasing allowance and construction allowance. The risks associated with the project estimates are considered medium. Cost escalation for unforeseen environmental factors, construction staging/phasing and scheduling at the site is a consideration for this project. Delays in commencing the construction phase of the project will add to the overall project costs. A detailed cost estimate at 100% complete design development drawings will be available in the fall of 2009 and any discrepancies will be reported back through the capital plan submission for the Station in 2009.

Some of the construction risks associated with the Revitalization of Union Station have been reduced through a detailed investigation of the structural feasibility of the proposed “dig down”. Currently the team is developing a construction phasing plan that will include the coordination of the revitalization work done in conjunction with the above

grade work for the new train shed roof, the TTC second platform and the construction of the Northwest Path. The construction phasing review will include this work to ensure that the Station is operational and accessible for pedestrians at all times. Design development work will be substantially completed in September of 2009.

Operating Costs

The risk of fluctuations in operating costs in future years is low considering the analysis is based on a restored building with an entirely new mechanical electrical system operated by the City. There is a potential for security costs to increase as further security risk assessments are made and by an increasing volume of pedestrian throughput.

Federal Government Funding and Process

Staff have been meeting with Transport Canada (TC) and Infrastructure Canada (IC) to ascertain requirements to secure the funding for the commitment announced in the January 2009 Federal Budget. Based on the project descriptions, justifications and costing, it is anticipated that IC will be submitting a project brief to the Federal Treasury Board for approval of selected aspects of the Revitalization Project under the Building Canada Fund (“BCF”) by early Fall 2009. It is expected that the BCF will fund projects such as heritage restoration, base building improvements, transportation enhancements in the form of pedestrian circulation, structural reinforcement and the construction of the Northwest PATH. Consulting fees will also be reimbursed up to 15% of the total construction cost. One of the conditions of funding is that no contracts can be committed to the project prior to a contribution agreement being signed. Therefore the report recommends extending the professional/consulting contracts until the agreement is approved. New contracts will be drafted and signed to commence after the contribution agreement is finalized.

VIA has also indicated it will commit up to a \$25 million contribution towards its costs for restoration and up grades.

Provincial Government Funding and Process

In accordance with the Letter of Intent signed by GO Transit, City staff has been negotiating the terms of various agreements with GO Transit. These include an agreement for the strata sale of the upper floors of the West Wing, an office space lease for certain other space in the West Wing and the Centre Block, a strata sale agreement for two new transportation concourses to be constructed by the City, an amendment to the existing Reciprocal Rights Agreement and an easement agreement for the Northwest PATH, pursuant to which GO Transit would contribute a significant portion of the 2008 estimated cost of constructing the Northwest PATH. Through the course of negotiations, GO Transit has requested certain revisions to the terms and conditions that were approved by Council in December, 2008. GO Transit has requested the establishment of separate reserve accounts to track funding. The terms and conditions that have been

revised are set out in Attachment 8. Funding for all of these transactions is subject to the Provincial Treasury Board approval and anticipated by early summer 2009.

Operating Budget Allocations

The 2009 Union Station Operating Budget was approved by Council in April of 2009. Once the Station is revitalized and redeveloped the operating budget will need to reflect the agreements reached with the Station tenants/occupants. The proposed 2015 operating budget is reflected in Attachment 3.

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

DECISION HISTORY

A report on the Northwest PATH facility was dealt with by City Council at its meeting of April 28 and 29, 2008. The report is available on-line at:
<http://www.toronto.ca/legdocs/mmis/2008/pw/bgrd/backgroundfile-11855.pdf>

A report on the strata sale of the upper floors of the West Wing and the lease of part of the ground floor of the West Wing and parts of the Centre Block to GO Transit was approved by Council at its meeting on December 1, 2 and 3, 2008. This report also addressed issues related to undertaking the necessary base building improvements needed to ensure GO Transit's occupancy by January 1, 2012. The report is available on-line at:
<http://www.toronto.ca/legdocs/mmis/2008/gm/bgrd/backgroundfile-17571.pdf>

A report seeking authority to proceed with the design for the revitalization of the Station and the Northwest PATH connection was approved by Council at its meeting on December 1, 2 and 3, 2008. The report is available on-line at:
<http://www.toronto.ca/legdocs/mmis/2008/ex/bgrd/backgroundfile-16776.pdf>

COMMENTS

Design Development - 2009-2010

In December 2008, Council approved the continuation of design work on the Recommended Approach for the revitalization of the Station. Since that time, City staff and consultants have furthered the design development to address issues related to the needs of the transportation operators, enhanced pedestrian flows, heritage approvals, sustainable design initiatives and detailed analysis to ensure the commercial viability of the project. Recommendation 5 and Attachment 6 address the extension of consultant work necessary to complete the design work and start construction to meet the deadlines for the West Wing Strata Sale, the GO Transit Concourse Strata Sale and the GO Transit lease agreements (as approved by Council), as well as to meet the funding commitments expected from both the Provincial and Federal governments. The ongoing work will be summarized under the following headings in the Architectural and Engineering Design Development package that will guide the project in 2009:

i) Required Resources

Design Services

The completion of design development documents including architectural, heritage restoration, mechanical, electrical and structural reports/drawings is needed in 2009 to facilitate the commencement of the first phase of construction in 2010. Detail design and preparation of contract documents for Stage 1 must commence in July of 2009 to meet early tender package dates for construction.

Transportation Planning

A major component of the transportation planning work undertaken by Arup Canada Inc. over the past 5 years has been to address issues both within and outside the Station related to increased GO Transit and VIA pedestrian volumes. Accommodating the projected pedestrian flows throughout the building during construction and integrating this work with the program needs of the transit operators and retail uses continues to be a significant component of the ongoing design work.

Pedestrian Modelling/4D Construction Modeling

Arup will be use a technology that is referred to as 4D modeling (3D + time) that combines the expertise of construction managers, quantity surveyors, and 3D modelers. The product of this technology is a virtual construction site that links sophisticated project schedules with an animated timeline to show the anticipated progress on-site at any given point in the construction schedule. Through clash detection techniques these tools are able to identify on-site conflicts and scheduling problems before they occur. The construction phasing and pedestrian modeling proposed for the station will benefit significantly from the analysis of the physical intervention.

ii) Heritage

In March of 2008 Parks Canada approved the Revitalization of the Station in principle. Through a series of meetings with Parks Canada it has been agreed that due to the scale of this construction project approvals from Parks Canada will be phased and based on separate projects and areas of the Station.

A presentation on the revitalization of the Station was presented to the Steering Committee of Parks Canada on May 7, 2009 to gain Stage 1 approval for work that needs to be done in Phase 1. Phase 1 Approval has now been granted by Parks Canada. The GO West Wing office space, the ground floor of the West Wing, the Moat covering and the ground floor of the East Wing will be submitted at a later date. Staff will be reporting on the status of the revitalization work to the Toronto Preservation Board at its meeting in June 2009.

iii) Greening Union Station

To address Council's mandate to green City buildings and to optimize the use of environmentally sustainable technologies a charrette was held in 2008 to review options for the use of leading edge technologies suitable for implementation at the Station (report available on the Union Station web page at http://www.toronto.ca/union_station/index.htm). A number of these measures will be included in the design as follows:

- a. high efficiency lighting
- b. fibre optic solar lighting
- c. daylighting sensors and other leading edge lighting controls
- d. building automation system to control all HVAC and lighting
- e. CO2 controls for ventilation
- f. ongoing use of district heating from Enwave Energy Corp
- g. heat reclaim from condensate and exhaust systems
- h. deep lake water cooling
- i. solar domestic hot water heating
- j. photovoltaic solar panels
- k. low water-use plumbing fixtures
- l. storm water retention and grey water reuse
- m. variable speed drives on motors
- n. increase R-value of the roof
- o. high-efficiency electrical transformers

The existing Union Station building was constructed before the 1920's and many of the original systems are still in place. Since then building design has greatly improved and therefore there are great opportunities to improve energy efficiency. It is expected that building energy use will be reduced by over 30%.

The implementation of the Deep Lake Water Cooling (DLWC) system utilizes the renewable cooling energy of Lake Ontario to provide cooling for Union Station. The benefits of DLWC include reduced electricity usage of up to 90% compared to conventional air-conditioning and a reduction of CO2 emissions by 1500 tonnes annually.

City staff reported on the district heating and cooling opportunities for the Station in the report adopted by Council in December 2008 and received authority to negotiate with Enwave. As a result of these discussions, it is recommended that easements for certain sections of the steam pipes within the Station be entered into with Enwave as required to allow Enwave access to these pipes for maintenance purposes.

iv) Northwest PATH

The new PATH connection to be located at the northwest corner of the Station Preferred Alternative set out in Attachment 5) will accomplish a number of noted objectives such

as relieving existing pedestrian congestion and supporting pedestrian initiatives of the Union Station revitalization. It will accommodate pedestrian activities generated by GO Transit's service expansion over the next twenty years. GO Transit has indicated that the construction of the new Northwest PATH pedestrian connection is critical to the phased opening of the West GO (York Street) concourse area in Union Station, and must be provided to facilitate adequate pedestrian movement. Construction of the Northwest PATH up to and connecting to the Royal York Hotel as the first phase is targeted for 2012, with timing to be confirmed through the detailed design and costing phase conducted by Transportation Services in 2010.

The 2008 estimated cost of this project is \$65 million and GO Transit has agreed to contribute a significant share of the capital cost of this initiative as part of the Provincial contribution to the overall project, in exchange for receiving an easement through the Northwest PATH. The construction of the Northwest PATH connection has become fundamental to the Strata Sale agreements negotiated with GO Transit.

v) Project Specific Insurance Requirements

Due to the complexity of the project, it has been determined that the most efficient and effective strategy to establish and maintain adequate insurance coverage throughout the duration of the various phases of the construction is to establish a comprehensive City specified and controlled insurance program. City staff will establish the program requirements and enter into appropriate agreements with the City's insurance broker/companies to put this coverage in place.

Status of Head Lessee Selection

As part of the report that went to Council December 11, 12 and 13, 2007 authorization was obtained for the Chief Corporate Officer, with the assistance of Deloitte & Touche LLP to qualify private sector firms to head lease and operate all of the commercial areas of Union Station, to invite offers to lease the commercial space at Union Station from qualified potential lessees in accordance with the process set out in the report, evaluate these offers and report back to Council with a recommended head lessee. Staff are in the final stages of the process and expect to be in a position to recommend a head lessee and the key terms of a Commercial Premises Head Lease Agreement directly to Council at its meeting to be held on July 6 and 7, 2009. If approved by Council, it is anticipated that the Commercial Premises Head Lease Agreement will be finalized in the summer of 2009.

Construction Management Process

This project will be especially challenging to construct because of the following factors:

- coordination of four large concurrent construction projects within the confines of the building foot print and emanating from the Station (including the TTC's second platform project, GO Transit's platform and Trainshed work and the Northwest PATH);

- reconstructing the Station under “live” service conditions (over 150,000 passengers use the Station on a daily basis and the Station will be open throughout construction);
- difficult site logistics including lack of a large marshalling area and access to the site during rush hour both internal to the Station for pedestrian access as well as external vehicular congestion;
- heritage approvals from Parks Canada;
- multi-year, multi-phase schedule and claims for extras (delay, unforeseen site conditions, changes) will require a vigorous monitoring process to keep the project on time and under budget

Given this complexity, a stipulated price (lump sum) contract for this project is not the preferred approach. The preferred approach is to hire a Contractor/Construction Management (C/CM) firm to manage the construction process. The C/CM will work within the construction budget established for Union Station and receive a set percentage of the construction cost (currently estimated at \$495 million) as a fee for services.

The C/CM will be considered the “constructor” for insurance and WSIB purposes and will be responsible for the delivery of the construction just as any general contractor would. The C/CM will work with the City’s multi-disciplinary team of architectural/engineering and other professional support services to manage the multiple phases of construction and the various project delivery risks outlined above. A qualified and experienced C/CM will be expected to provide value engineering services throughout each phase of construction by investigating and offering methods to reduce the overall construction cost, through such means as providing “constructability” input into the design, and through more efficient scheduling, staging and claims management.

The C/CM will be responsible for all of the subcontractors and will work with the City’s team in pre-qualifying sub-trades as and when appropriate. Sub-trade contracts will be tendered by the C/CM and selection of sub-trades will be based on the recommendations of C/CM with final approval by City staff.

In order to secure a qualified and experienced C/CM, a prequalification process, which will establish a list of firms that can respond to an RFP for C/CM services for Union Station is underway. An RFP will be issued upon approval of this report to the prequalified C/CMs. A further report will be prepared to seek Council’s approval to award the C/CM contract in the Fall of 2009.

Agreements and Leases

Discussions are currently underway with the various stakeholders of Union Station concerning new agreements and/or amendments to their agreements and/or leases that are required to ensure compatibility with the Revitalization Plan. The first floor of the Bank of Nova Scotia will have to be occupied by the City as swing space for the existing tenants in the building to allow for the build out of their new spaces. These tenants include VIA Rail and GO Transit. Set out in Attachment 7 of this Report is a list of amendments required or new agreements required with GO Transit, VIA Rail, Bank of

Nova Scotia, Air Canada Centre and Skywalk to facilitate the revitalization of the Station.

In addition to the foregoing, smaller retail leases and other agreements will need to be revisited in order to achieve the appropriate time lines for the Revitalization Plan and sustaining an appropriate 3rd party revenue base.

CONCLUSION

The City Manager, and the Deputy City Manager and Chief Financial Officer are close to concluding a series of negotiations resulting in the commitment of both the Federal and Provincial Governments to fund part of the revitalization of Union Station. The selection of the Head Lessee and the key terms of the Commercial Premises Head Lease Agreement will be reported directly to Council on July 6 and 7, 2009.

The City Manager, and the Deputy City Manager and Chief Financial Officer request Council's authorization to complete the revitalization in order to work with and meet the construction schedules of the other Station operators – the new GO Trainshed Atrium Roof and the TTC's second platform project.

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SIGNATURE

Joseph P. Pennachetti, City Manager

Cam Weldon, Deputy City Manager
and Chief Financial Officer

ATTACHMENTS

Attachment 1: Confidential Attachment

Attachment 2: Amended 2009 Capital Budget & 2010-2018 Capital Plan

Attachment 3: 2010 Operating Budgets – Existing and Proposed

Attachment 4: Proposed Revitalization Building Plans

Attachment 5: Northwest PATH - Preferred Alternative

Attachment 6: Consultant Procurement Rationale

Attachment 7: Terms of New Agreements /Amending Agreements

Attachment 8: Transaction Summary – Revised Terms

Attachment 9: Implementation Steps - 2009-2015

ATTACHMENT 2: AMENDED 2009 CAPITAL BUDGET & 2010-2018 CAPITAL PLAN



Facilities and Real Estate Division

Amended 2009 Capital Budget & 2010-2018 Capital Plan Incl Revised Construction Estimates (\$000s)

Capital Project	2008 Carry-Forward	2009 (Incl 2yr CF)	2010	2011	2012	2013	2009 - 2013 Capital Plan	2014	2015	2014 - 2018 Capital Plan	Total 10-Year Capital Plan
Heritage, SOGR, Security:											
Heritage	4	4,035	17,903	15,999	12,544	24,599	75,079	12,544	3,132	15,676	90,755
SOGR	6,771	5,435	9,839	11,174	8,236	7,277	41,962	-	-	-	41,962
SOGR Contaminated Fill Disposal			2,000	2,000	2,000	2,100	8,100				8,100
Security	-	9,433	-	-	-	-	9,433	-	-	-	9,433
Subtotal - Heritage, SOGR, Security	6,775	18,903	29,742	29,173	22,780	33,976	134,574	12,544	3,132	15,676	150,250
Transportation:											
Pedestrian Flow	-	-	-	1,501	12,585	13,880	27,965	10,106	3,042	13,148	41,113
GO Concourses	-	6,679	31,824	32,744	37,375	37,375	145,997	-	-	-	145,997
GO Concourses Fit Up				1,500		1,500	3,000				3,000
VIA Panorama Lounge			4,200				4,200				4,200
VIA York West Teamways Elevators			4,600				4,600				4,600
Loading Dock	-	2,040	7,165	-	-	-	9,205	-	-	-	9,205
North West Path	-	4,000	20,000	22,570	18,000	430	65,000	-	-	-	65,000
Subtotal - Transportation	-	12,719	67,789	58,315	67,960	53,185	259,967	10,106	3,042	13,148	273,115
Lower Level Enhancements & West Wing:											
Pedestrian Flow	-	2,829	13,266	58,726	13,266	18,905	106,992	24,797	-	24,797	131,789
Retail Enhancements	-	3,739	9,347	19,991	15,907	7,744	56,728	4,272	-	4,272	61,000
West Wing - Base Building		808	8,838	9,400	-	-	19,046	-	-	-	19,046
West Wing - Fit-up		-	-	-	5,000	-	5,000	-	-	-	5,000
Subtotal - Lower Level Enhancements & West Wing	-	7,376	31,451	88,117	34,173	26,649	187,766	29,069	-	29,069	216,835
Total Union Station Expenditures	6,775	38,998	128,982	175,605	124,913	113,810	582,307	51,719	6,174	57,893	640,200
Funding Sources:											
Debt	6,775	28,411	22,612	31,376	20,569	28,106	131,074	13,794	3,132	16,926	148,000
Other	-	10,587	105,940	143,799	103,914	85,274	449,513	37,925	3,042	40,967	490,480
Development Charges	-	-	430	430	430	430	1,720	-	-	-	1,720
Total Union Station Financing	6,775	38,998	128,982	175,605	124,913	113,810	582,307	51,719	6,174	57,893	640,200

ATTACHMENT 3: UNION STATION OPERATING BUDGET – ALLOCATIONS

Management of Union Station – Cost of Operations (all figures in \$ millions)

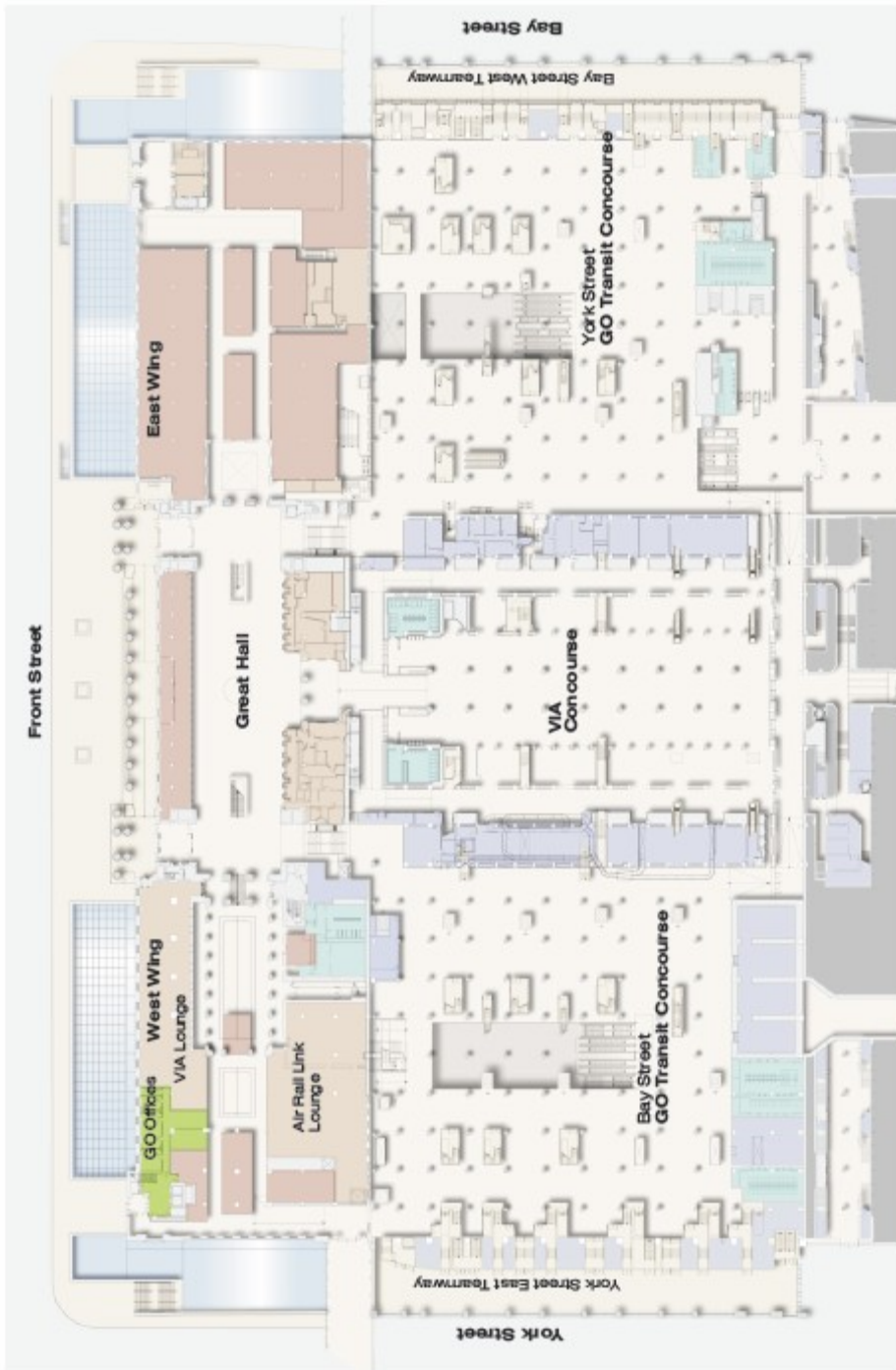
When the Station is revitalized and redeveloped the cost of operations will be allocated amongst tenants based on occupancy, consumption of facilities management services (including building maintenance, custodial care, security, waste management and utilities), and share of common space based on usage. The guiding principle behind allocations is full recovery of operating costs. The existing and proposed operating budgets are reflected in the following table (Proposed totals are in current year \$, and reflect a state of operation beginning in 2015):

Category	2009 Operating Budget	2015 Proposed Operating Budget
Building Maintenance	\$2.7	\$2.6
Custodial Care	\$2.4	\$2.7
Security	\$1.6	\$3.4
Taxes	\$2.8	\$10.2
Utilities	\$3.6	\$4.7
Total Expenditures	\$13.1	\$23.6
Revenues	\$13.1	\$23.6
Net Revenue / Expenses	\$0.0	\$0.0

Upon completion of the revitalization the increase in operating costs reflected in the 2015 Proposed Operating Budget above will be recovered from tenants, as follows:

Funding Sources	Amount
GO Transit	\$ 6.3
VIA	1.5
BNS	2.5
Head Lessee	13.2
City	TBD
Total - Funding Sources	\$ 23.5

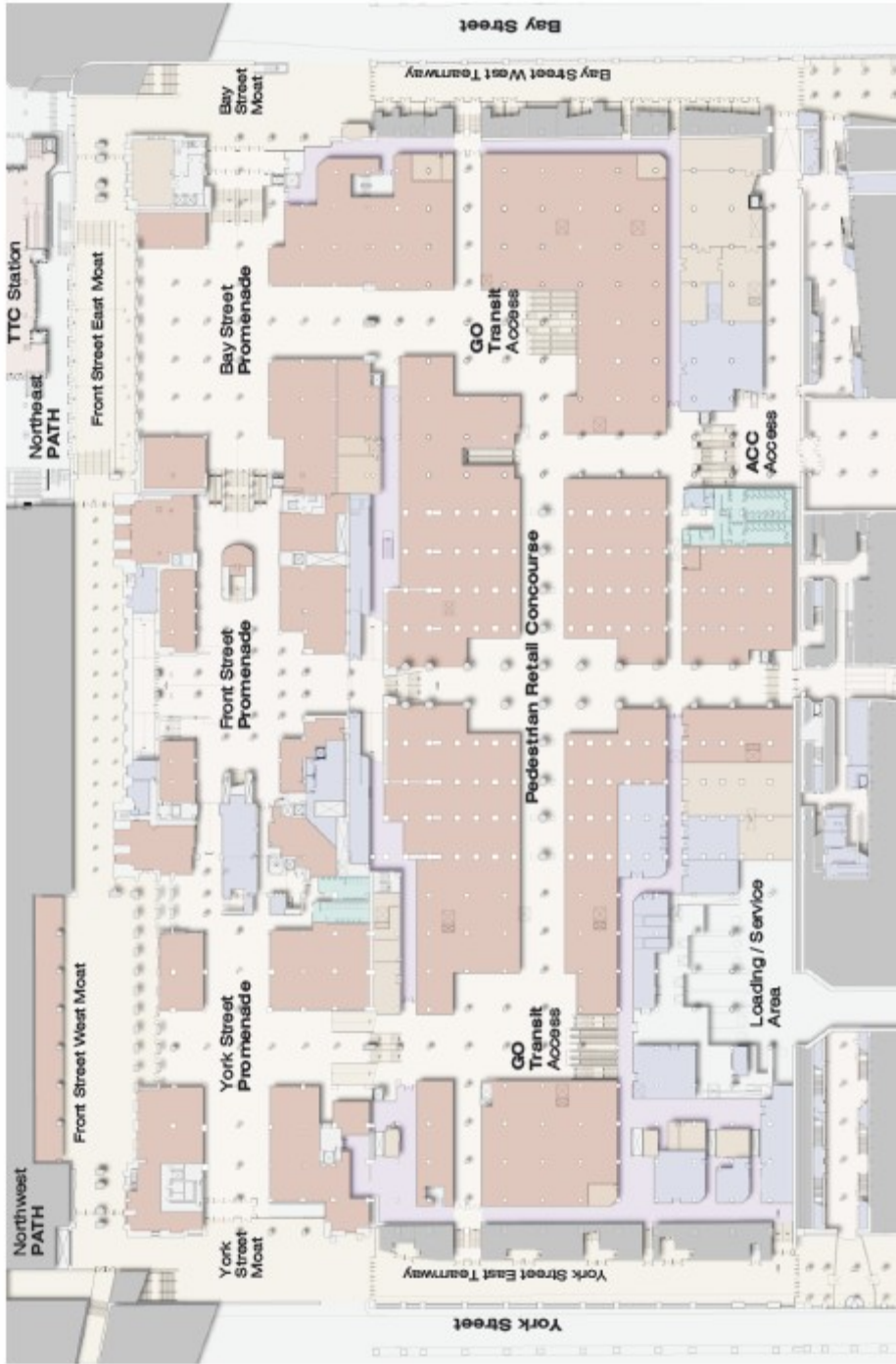
ATTACHMENT 4: PROPOSED REVITALIZATION BUILDING PLANS



12 May 09

Union Station Revitalization Project / Great Hall / Concourse Level

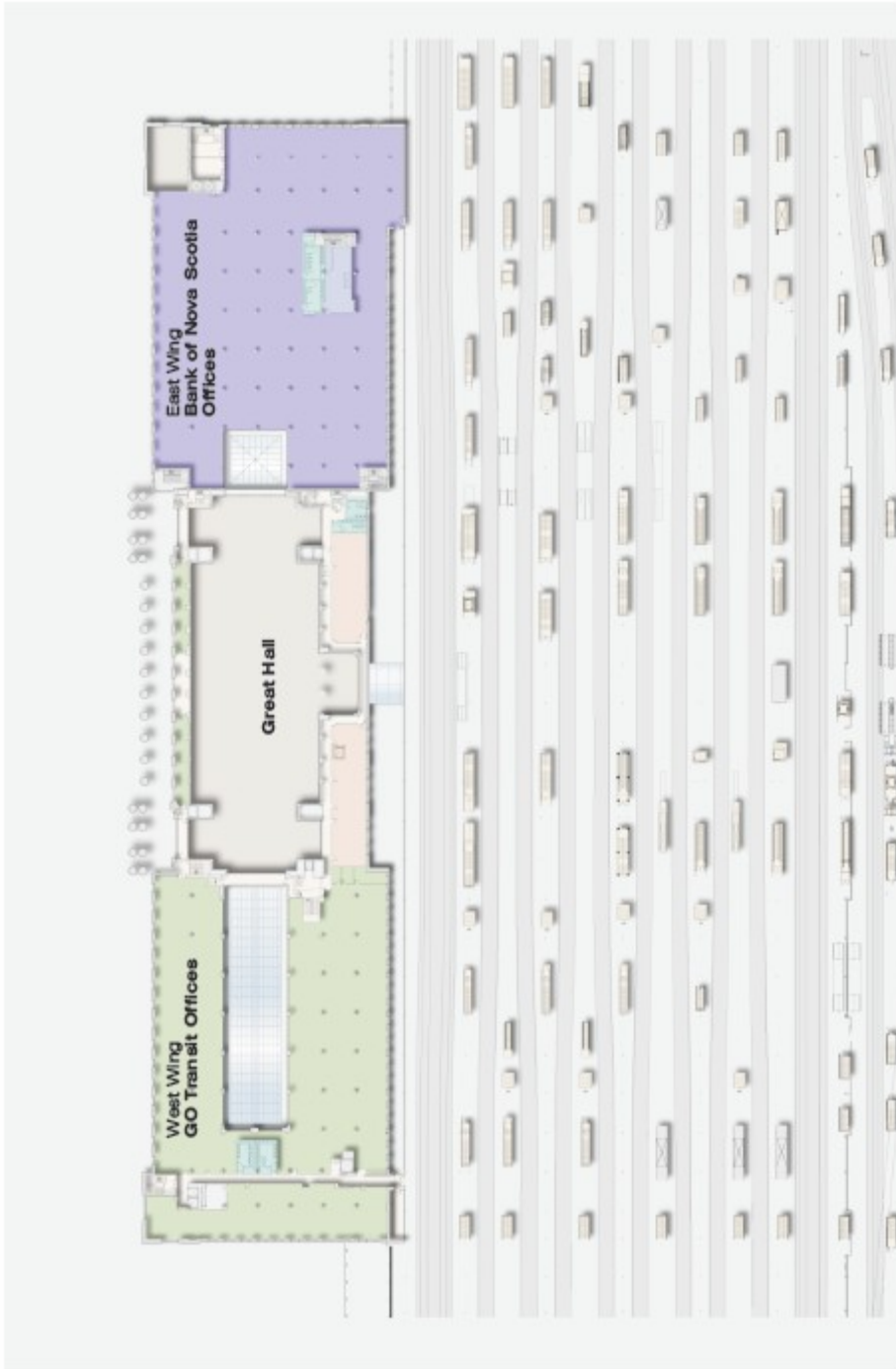




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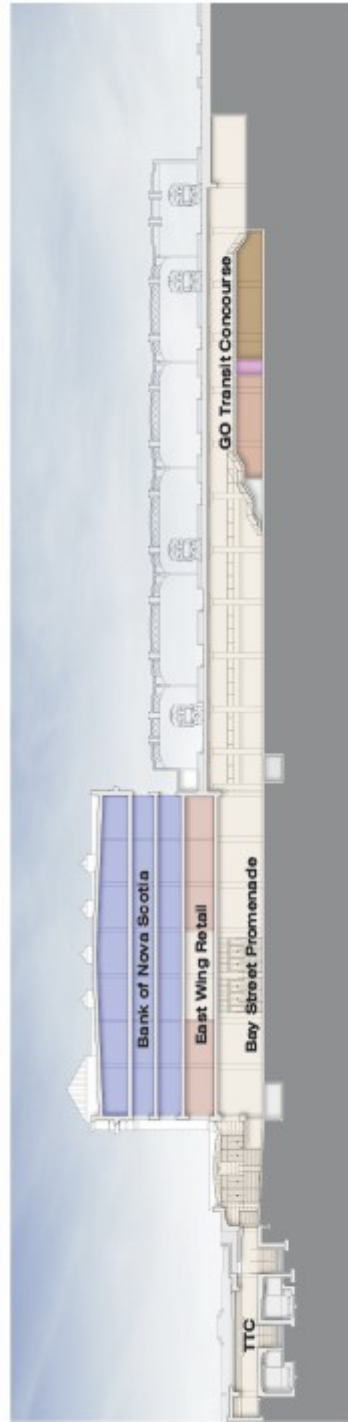
Union Station Revitalization Project / Promenade / Pedestrian Retail Level





Union Station Revitalization Project / Typical Upper Level

12 May 09

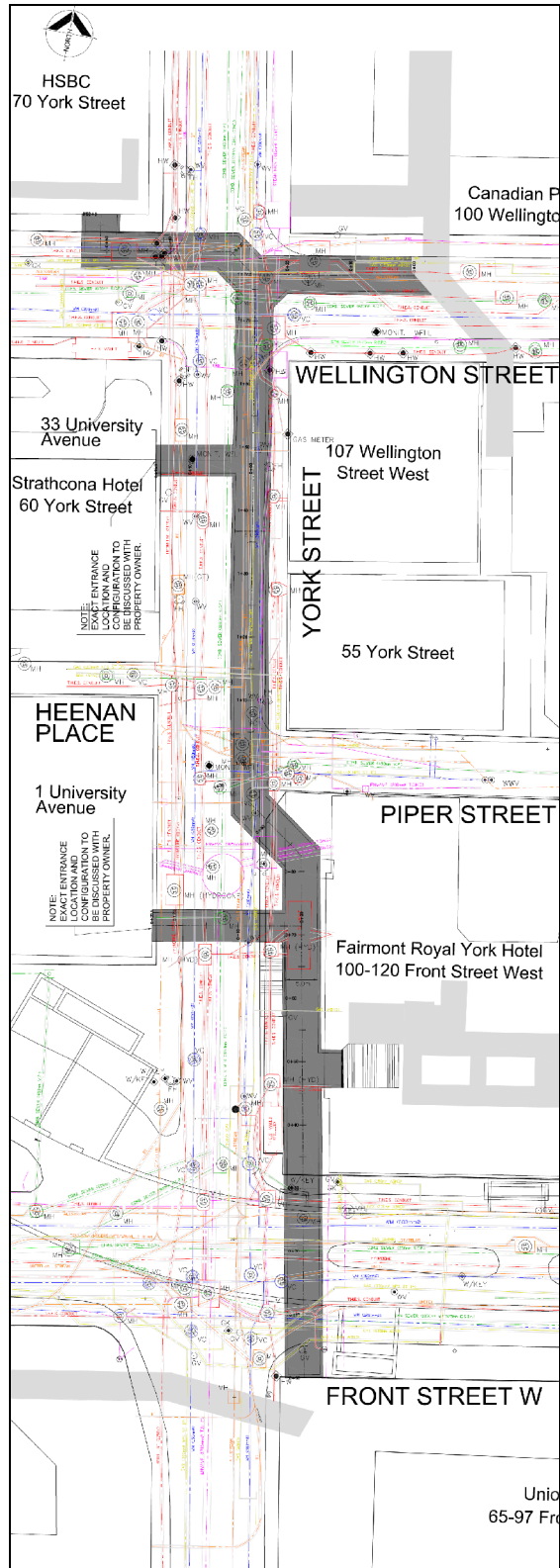


Union Station Revitalization Project / North/South Section through East Wing

12 May 09



ATTACHMENT 5: NORTHWEST PATH - PREFERRED ALTERNATIVE



ATTACHMENT 6: CONSULTANT/CONTRACTOR PROCUREMENT RATIONALE

One of the conditions of Federal funding is that no contracts can be committed to the Project prior to the contribution agreement being signed. Therefore, the report recommends an extension of the professional/consulting contracts. Thereafter, new contracts will be drafted and signed for all the existing consultants to commence after the contribution agreement is finalized.

All the professional firms noted below have extensive experience and knowledge of the Station. To not continue with their services would severely delay the City's ability to participate in the coordination of the transit operators' construction projects. The cost to the City to hire new consultants would be prohibitive both from a scheduling and financial perspective. Therefore, it is the recommendation of staff to continue with the overall Recommended Approach and the existing consultants.

Design: The extension of NORR Limited Architects & Engineers is required to complete the detailed design development work and commence detail design and preparation of contract documents for Stage 1 construction in consultation with an architectural heritage consultant (FGMA) to provide a Heritage Impact Statement and a Conservation Strategy at a cost of \$8.3 million is recommended.

Transportation Planning: It is recommended that Arup Canada Inc. continue to be retained to undertake further pedestrian flow and construction coordination analyses. Transportation Planning, GO Transit, TTC and VIA Rail all have confidence in Arup's ability to expedite the assignment. Additional work may also need to be undertaken on a cost shared basis with the Air Canada Centre to ensure that pedestrian movement into and around the Station addresses issues related to the volumes of pedestrian traffic generated by events. The retainer should be increased at a cost not to exceed \$350,000.

Real Estate/Financial: It is recommended that the Chief Corporate Officer extend Deloitte& Touche LLP's retainer at a cost not to exceed \$300,000.

Legal Counsel: Davies Ward Phillips & Vineberg LLP have provided legal advice to the City since 1999, before the purchase of the Station by the City. It is recommended that the City Solicitor, in consultation with the Chief Corporate Officer, extend the retainer of Davies Ward Phillips & Vineberg LLP at an additional cost not to exceed \$300,000.

Osler, Hoskin and Harcourt LLP were retained late 2008 to provide construction law services to support the development of the C/CM contract. It is prudent to extend the retainer for Osler Harcourt to cover construction law services that relate to the implementation of the C/CM contract, inclusive of legal involvement in the development of the documentation to support the procurement of the C/CM. It is therefore recommended that the City Solicitor, extend the retainer of Osler, Hoskin and Harcourt LLP at an additional cost, not to exceed \$200,000.

Northwest PATH Design Services: GO Transit has indicated that the construction of the new Northwest PATH pedestrian connection will be critical to the phasing of its operational improvement program, including a key component of Station revitalization that includes opening of the west GO (York Street) concourse area in Union Station. The Northwest PATH must, therefore, move forward to design and implementation on an urgent basis. A consulting engineering firm will be retained to provide engineering services, inclusive of further sub-surface utility engineering studies, detailed design, contract preparation for tendering of a construction contract for the Northwest PATH, as well as contract administration and site services and post-construction work. Transportation Services will proceed with up to of \$4 million on design services.

Life Safety Program: PCL Constructors Canada Inc. have an existing contract for the implementation of the security enhancements at Union Station as approved in the Transit-Secure contribution agreements with Transport Canada, which includes a very significant amount of electrical/security systems work. As the work required is of a similar nature, it is recommended that the Chief Corporate Officer extend the retainer of PCL Constructors Canada Inc. to accommodate the additional work for improvement to the fire alarm systems in the building, in an amount, not to exceed \$1.1 million for fire alarm work that requires more immediate attention.

Civil/Building Infrastructure: Clifford Restoration is currently under contract with the City to perform the reconstruction of the existing pedestrian bridge structures at Union Station. Clifford was retained by the City through the competitive bidding process. In order to ensure that the relocation of a section of sanitary sewer within the north east moat, immediately adjacent to the pedestrian bridge is completed in advance of the start of the TTC's proposed Union Station contract, it is proposed that Clifford undertake this additional work to eliminate any coordination or constructor issues together with some additional building envelope investigations/remediation work required to facilitate future construction work. It is therefore recommended that the Chief Corporate Office extend the retainer of Clifford Restoration in the amount of \$1.4 million.

Additional Consulting Services: Two additional Consulting Services positions (Manager, Design and Manager, Construction) on the implementation team for the Union Station Revitalization project are required to ensure effective management of the project. To be retained under personnel services/consulting services contracts, or five year personnel services/consulting services agreements for the two positions at a total cost of up to \$1.75 Million.

Property Management Support: A position in a project support role is required that preserves the essential knowledge base related to the operation, construction and maintenance history of the Station. A candidate has been identified, possessing the requisite expertise and will be retained under a contractual relationship rather than as a fixed term employee, with the City. Authority to enter into a three year agreement for the service at a total cost of up to \$350,000 is required.

ATTACHMENT 7: TERMS OF NEW AGREEMENTS/AMENDING AGREEMENTS

Type/Name:	Location:	Term:	Changes Required:
GO Transit (Existing lease)	Concourse Level & Great Hall	50 years from June 30, 2000 + 50 year renewal option	<p>Amend lease to include additional concourse and other space built by GO Transit to accommodate new Platform 13/14 constructed by GO Transit at the south end of Union Station</p> <p>Lease to be surrendered in phases as new Concourses built and conveyed to GO Transit</p>
GO Transit	Structure South adjoining the York West Teamway to the west	Perpetuity	Easement to be granted by GO Transit to City through Structure South to provide access to York West Teamway
VIA Rail	Various: Arrivals/Departures Concourse 2 nd floor offices Commissary Baggage	49 years from June 30, 2000	<p>Relocate 2nd floor west wing offices to 4th floor Centre Block – South Side to accommodate sale of West Wing to GO Transit.</p> <p>Relocate communications operations/yard management areas from departure level of VIA’s current premises to 2nd floor Centre Block</p> <p>Move baggage area to a mutually agreeable location to be reflected in the new plan.</p> <p>Relocate the 1st Class Lounge to a portion of the 1st floor – West Wing to accommodate passenger flows in the arrivals concourse.</p> <p>Relocate food service area from Level 10 of VIA’s current premises to south end of the York West Teamway to</p>

			<p>enable construction to commence in the loading dock area</p> <p>Relocate telephone hub room to an appropriate location to service VIA's telecom needs.</p> <p>Concourse adjustments for usage and cost sharing between VIA/GO Transit.</p>
Bank of Nova Scotia	East Wing – floors 1 to 4	33 years, 8 months until April 30, 2016	<p>Negotiate and execute a Lease amending agreement to return the 1st floor of the East Wing to the City by 2010 for the purposes of east/west pedestrian permeability and retail purposes.</p> <p>Upon the expiry of the balance of the Lease in 2016, negotiate a new agreement for the renewal term for market rental and building cost sharing arrangements for floors 2 to 4. Failing agreement, no renewal of the office lease.</p>
Air Canada Centre (Maple Leaf Sports & Entertainment Ltd.)	South End of East Concourse (Blue Route)	Monthly, terminable on 30 days' notice by Landlord	<p>Terminate Parking Lease Administration Agreement and Parking Lease.</p> <p>New south access agreement.</p> <p>Concourse adjustments for usage and cost sharing.</p>
Air Canada Centre (Maple Leaf Sports & Entertainment Ltd.)	Bay West Teamway	Perpetuity	<p>Pedestrian access rights from proposed new doors and stairways from the Station into the Teamway and permit coverage of the East Moat</p>
Oxford Properties Group Inc.	West Moat and York East Teamway	Perpetuity	<p>Terminate a portion of the license arrangement as it relates to Oxford's obligation to maintain the enclosed</p>

			stairway facility and glass structure within the West Moat and York East Teamway and canopy. Oxford will continue to maintain the sub-surface pedestrian tunnel connecting the east & west sides of York Street, south of Front St. W.
Northam Realty Advisors Limited (Skywalk)	Portion of 1 st floor - West Wing	19 years, 9 months + perpetual renewal options	Negotiate, terminate, amend or enter into a new pedestrian access agreement to align Skywalk requirements with functionality of the Revitalization Plan. Adjustments for usage and cost sharing.
20 York Street Holdings Limited	Station Street (closed) and 20 York Street	Perpetuity	Easement to be granted by 20 York Street Holdings Limited to City over part of Station Street and through building at 20 York Street to provide access to York West Teamway
Retail Tenants	Concourse Levels, Great Hall, 1 st Floor West Wing	Various – all retail leases provide a termination provision of 90 days’ or 6 months’ notice	Relocation and/or termination of tenancies in keeping with the Retail Component of the Revitalization Plan. New retail tenancy agreements, as locations become available and in accordance with the Retail Component of the new Revitalization Plan.
Advertising Signage	Concourse Levels, Great Hall Moat Area	Various – all agreements provide a termination provision of 90 days’ notice	Develop and implement an Advertising Signage Policy guideline. Upon establishment of the guidelines, terminate the existing agreements and obtain authority to enter into an exclusive agreement on favourable market terms.
Telecom Agreements	Various Levels	Various	Relocation of the various antennas, fibre optics, pay

			phones, repeaters, etc as may be required to accommodate the layout of the Revitalization Plan.
Parking Agreements	West Wing basement (future west concourse)	Various monthly – terminable on 7 days’ or 90 days’ notice	Termination of agreements to accommodate the build out of the future west concourse and the layout of the Revitalization Plan.
Storage Agreements	Various Levels	Various – terminable on 7 days’, 30 days’ or 6 months’ notice	Termination of agreements to accommodate the build out of the retail/office areas and the layout of the Revitalization Plan.
Enwave/Steam	Steam Tunnels beneath Basement Levels	Various, terminable upon 6 months’ prior notice	Negotiate, terminate, amend or enter into new steam service agreements with 3 rd party adjacent users including possible lease or transfer of existing pipes and commitments to Enwave.

ATTACHMENT 8: - TRANSACTION SUMMARY – REVISED TERMS FOR THE GO TRANSIT AGREEMENTS

Changes to the terms and conditions reported to City Council in Appendix “A” of GM 19.11, as adopted by City Council December 1, 2 & 3, 2008.

1) WEST WING STRATA PROPERTY SALE

- **Area**

It was originally reported that the entire west wing of Union Station above the first floor, including the external walls and the roof, comprising a gross floor area of 89,555 square feet and subject to minor variance in the floor plate, was to be sold to GO Transit.

The area to be sold to GO Transit now also includes a portion of the 1st floor of the west wing, immediately adjacent to and including the elevator shaft and it no longer includes certain common areas on floors two, three and four immediately adjacent to centre block.

The precise boundaries and area of the areas to be added to and excluded from the sale to GO Transit will be finalized following final construction completion.

- **Maintenance & Repair**

The City will now, at GO Transit’s expense, be responsible for carrying out the renovations, installations and owner improvements to the West Wing Strata Property beyond the City’s base building work.

- **Transaction Closing Date**

To be negotiated by both parties prior to the end of 2009.

2) CONCOURSE STRATA PROPERTY SALE

- **Maintenance & Repair**

The City will now, at GO Transit’s expense, be responsible for carrying out the renovations, installations and owner improvements to the Concourse Strata Property beyond the City’s base building work.

- **Transaction Closing Date**

To be negotiated by both parties prior to the end of 2009.

4) LEASED PREMISES:

- **Area**

It was originally reported that a portion of the first floor of the west wing and the north-side of the second, third and fourth floors of centre block of Union Station, comprising approximately 12,826 square feet of rentable area subject to minor amendments in the floor plate area, would be leased to GO Transit.

The Leased Premises has changed to exclude that portion of the 1st floor of the west wing to be included in the sale of the West Wing Strata Property, as discussed above.

The precise boundaries and area of the area to be excluded from the lease will be finalized following final construction completion.

- **Common Expenses**

GO Transit will be responsible for paying its proportionate share of any expenses related to the operation and maintenance of any of the common areas in and around the Building rather than a fixed per sq. ft. rate of the West Wing Property.

- **Maintenance & Repair**

The City will now, at GO Transit's expense, be responsible for carrying out the renovations, installations and owner improvements to the Leased Premises beyond the City's base building work.

ATTACHMENT 9: Implementation Steps - 2009-2015

The following summary outlines work to be coordinated by City staff, the Union Station stakeholders and consultants to realize the Revitalization of Union Station in accordance with the proposed building plans attached as Attachment 4, while maximizing its function as a transportation facility and attaining economic self-sufficiency:

- in May of 2008, Parks Canada approved the Stage 1 submission for the Station

Work for July – December 2009:

- finalize and sign agreements to be entered into with GO Transit, with confirmation of Provincial funding
- finalize and sign a Commercial Premises Head Lease Agreement with Head Lessee
- produce Heritage Conservation Plans and Strategies for additional phases to be developed incrementally and secure necessary Heritage approvals from Parks Canada;
- continuing coordination of design and pedestrian planning to respond to the functional requirements of GO Transit, VIA Rail and the TTC respecting construction phasing
- continuing construction of the pedestrian bridge at the main entrance to Union Station and initiate building envelope investigations/remediation work
- design guidelines for tenant fit out, signage and wayfinding (work on this commenced)
- continuing of the ARUP construction modeling for both the pedestrian flow analysis and the construction phasing for all work within the Station
- complete design development work including work for State of Good Repair – expected to be 100% complete by Fall 09
- commence Detail Design and tender documentation of Stage 1 areas
- commence the coordination of the Front Street Environmental Assessment including design
- finalize RFP and construction management agreements/documentation and complete the RFP process to select a Contractor/Construction Manager (C/CM)
- award the C/CM construction contract for the project
- finalize implementation strategy to facilitate a commencement of construction in early 2010
- negotiate and execute other agreements with (e.g. The Bank of Nova Scotia, Maple Leaf Sports and Entertainment Ltd., etc.) to support the requirements of the project
- secure VIA's letter of intent for agreements on the build out of the York West Teamway for VIA catering operations, the new first class lounge and restoration of the VIA departure concourse
- commence detailed design and costing for the Northwest PATH
- complete sewer relocation in the northeast Moat in advance of the TTC construction

- obtain final approvals and complete fire alarm system work
- finalize funding agreements with the Federal Government through Infrastructure Canada as well as Transport Canada
- implement a project specific insurance program for the revitalization project to ensure that appropriate insurance coverage is in place for all parties involved in the project

2010 to 2015

- produce the tender ready documents for all phases of the construction
- commence construction of the first phase of construction early 2010; continue with the required multi phase/stage construction to completion
- complete reconstruction of the Front Street Pedestrian Bridge
- complete all design and construction drawings and commence and complete construction of the Northwest PATH
- continue the pedestrian modeling for the various phases of construction
commence detailed design and construction of the Front Street Revitalization/Pedestrianization to include the intersections of Bay and York Streets at Front Street
- on going approvals from Parks Canada on the various phases through to tender documents
- ongoing co ordination with GO Transit and TTC on the combined construction schedule
- continue to negotiate and execute requisite agreements