



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**Disclosure of Reports regarding Filmport Transactions
and Loan to TEDCO**

Date:	June 1, 2012
To:	City Council
From:	City Solicitor
Wards:	30
Reason for Confidential Information:	This report contains legal advice with respect to ongoing litigation.
Reference Number:	

SUMMARY

In this report, staff seek authority to produce reports that Council previously directed remain confidential. The reports relate to matters which are the subject of ongoing litigation commenced by 1001411 Ontario Limited carrying on business as Cinespace Studios Management (Cinespace) against the City of Toronto, Toronto Economic Development Corporation ("TEDCO") and others. As well, staff wish to advise Council on certain facts relating to prior Filmport transactions and advise regarding them.

RECOMMENDATIONS

The City Solicitor recommends that:

1. City Council approve the public disclosure of the confidential reports referred to in Schedule A to the confidential attachment
2. The confidential attachment to this report, save and except Schedule A, remain confidential, as it contains legal advice.

Financial Impact

There are no financial implications as a result of the recommendations contained in this report.

DECISION HISTORY

At its meeting of April 6, 2009 City Council adopted a report (CC34.1) approving a transaction in respect of the studio complex located on lands owned by TEDCO in the City's Portlands ("Filmport"). That transaction was described in a confidential attachment from TEDCO. City Council also approved a loan to TEDCO as described in a further confidential attachment from the City Manager, Deputy City Manager and Chief Financial Officer. At that time, City Council directed that the said confidential attachments remain confidential under the provisions of the *City of Toronto Act, 2006*, as they relate to the security of the property of the municipality or a local board.

City Council at its meeting on December 10, 2008 had before it a report (CC29.1) concerning amendments to TEDCO's lease of the Filmport lands. Council at that time approved the Filmport lease amendments contained in the confidential attachment and directed that the confidential attachment remain confidential.

Council, at its meeting of September 28, 29 and 30, 2005, approved the TEDCO Board's granting of the Filmport lease and directed TEDCO to finalize an Option Agreement regarding that project. Council at that time indicated that apart from the recommendations it adopted at that time, the balance of the confidential report before it (being a September 15, 2005 report from TEDCO) should remain confidential.

ISSUE BACKGROUND

In late 2010, Cinespace commenced a lawsuit against the City, TEDCO and various current and former owners of Filmport Inc., alleging in essence that the City decision of April 6, 2009 to loan monies to TEDCO was illegal and constituted bonusing. Among other things, the lawsuit seeks a declaration that all actions taken pursuant to the by-law confirming the April 6, 2009 Council decision (By-law 411-2009) are illegal and are void.

The application is being defended by the City, TEDCO and other shareholders. It is scheduled to be heard on February 20-22, 2013.

COMMENTS

The Confidential Attachment contains legal advice.

CONTACT

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SIGNATURE

Anna Kinastowski
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ATTACHMENT

Attachment 1 – Confidential Information