July 10, 2012

To: City Council

From: City Clerk

Re: SC17.22 - Scarborough Centre - Public Space and Streetscape Master Plan (Civic and Commercial Precincts) - Consultant's Report

I am writing to advise City Council that I have reviewed two of the recommendations from the Scarborough Community Council on Item SC17.22 and believe that they are contrary to previous decisions of City Council and are not within the mandate of the Scarborough Community Council. Accordingly, it is my view that they are not properly before City Council.

The recommendations in question are those appearing in bold below:

"5. Implement the City's Official Plan policies with regards to Scarborough City Centre and direct that the proceeds from the Grangeway properties sale be directed towards the "Span McCowan" proposal outlined by the Glen Andrew Community Association at the June 13, 2012 Scarborough Community Council meeting and other projects identified in the Public Space and Streetscape Master Plan.

6. Set aside in a City reserve account the proceeds from the sale by Build Toronto of the Grangeway property for future use in the Scarborough Centre Public Space and Streetscape Master Plan development."

I believe these recommendations are contrary and therefore constitute amendments to the shareholder direction between the City and Build Toronto and exceed the Scarborough Community Council's mandate. That direction, approved by City Council in August 2009 (EX 33.1), only authorizes dividend payments to the City. It does not provide for City Council directing the proceeds of specific property sales or from other Build Toronto business activities, toward targeted uses.
I note as well that the 2012 Capital Budget adopted by Council in January 2012 provides that the proceeds of asset monetization, including the dividends paid to the City by Build Toronto, will be allocated to the Capital Financing Reserve for use in offsetting future debt requirements. It further provides that the funding from the monetization of City assets will be primarily applied to the TTC's significant SOGR and need to increase ridership capacity.

Conclusion

In view of the foregoing, I believe that these recommendations should be considered out of order as they are beyond the authority of the Scarborough Community Council and are contrary to the Council-approved policy.

The responsibilities for the shareholder direction with City-controlled corporations and the capital budget rest with the Executive Committee. If City Council wishes to use the proceeds of real estate sales for other purposes, a Member should submit new business amending the shareholder direction to the Executive Committee where the policy issues can be debated.

I note that this advice is consistent with the advice provided by staff at the meeting and by the Chair in a ruling that was subsequently not upheld.

CITY CLERK