



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

**Proposed Settlement of Litigation Arising from the
September 24, 2010 Fire at 200 Wellesley Street**

Date:	July 9, 2013
To:	City Council
From:	City Solicitor
Wards:	Ward 28, Toronto Centre-Rosedale
Reason for Confidential Information:	This report contains advice or communications that are subject to solicitor-client privilege and pertains to litigation or potential litigation that affects the City.
Reference Number:	

SUMMARY

This report seeks instructions regarding a proposed settlement of an action commenced by the City against Greenwin Inc. ("Greenwin") to recover costs incurred by the City in providing emergency human services to residents of the Toronto Community Housing Corporation ("TCHC") property located at 200 Wellesley Street ("200 Wellesley") following a fire that occurred on September 24, 2010 (the "City's Claim"). The details of the proposed settlement are discussed in Confidential Attachment 1.

RECOMMENDATIONS

The City Solicitor recommends that:

1. City Council adopt the recommendations contained in Confidential Attachment 1 to this report.
2. City Council direct that Confidential Attachment 1 remain confidential as it contains advice and information that is subject to solicitor-client privilege and pertains to litigation or potential litigation. City Council authorize the public release of all or a portion of the confidential instructions once adopted by City Council at the discretion of the City Solicitor; and

3. The appropriate City staff be authorized and directed to take the necessary action to give effect thereto.

Financial Impact

The financial impacts resulting from the recommendations made in this report are disclosed in Confidential Attachment 1.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial information disclosed in Confidential Attachment 1.

DECISION HISTORY

There is no prior decision history in respect of this litigation.

ISSUE BACKGROUND

On September 24, 2010 a significant fire occurred at 200 Wellesley, resulting in the evacuation of approximately 1700 residents. An investigation by the Office of the Fire Marshall later found that the fire began when a lit cigarette was dropped onto the balcony of unit 2424 from a neighbouring unit. At the time Unit 2424, including its balcony, contained a massive amount of stored combustibles (hoarding).

As a result of damage to the building caused by the fire, none of the residents of 200 Wellesley Street were able to return to their units for several days following the fire. The residents whose units were located in the areas of the building most affected by the fire were unable to return to 200 Wellesley for months following the fire.

During this period the City's Shelter, Support, and Housing Administration Division provided emergency human services to displaced residents of 200 Wellesley. These services included the provision of shelter and accommodation in the form of emergency reception centres and hotel rooms, food, transportation and other services.

The City's total out of pocket expenses incurred in providing these services were \$2,409,858.80. The City later received a provincial subsidy in the amount of \$1,000,599.26 in respect of these services.

In the aftermath of the fire a class action was commenced on behalf of the residents of 200 Wellesley (the "*Blair* Class Action") against the TCHC and against Greenwin, TCHC's property manager for 200 Wellesley at the time of the fire. The class action claim against Greenwin was primarily based on the allegation that the fire was caused by Greenwin's negligence because it was aware of the potential hazard posed by hoarding in Unit 2424, but did not take appropriate steps to address the situation.

The City Solicitor became involved in the *Blair* Class Action when Greenwin issued a Third Party Claim against the Board of Health for the City of Toronto Health Unit (the

"Board of Health") and other parties, seeking contribution for any amounts for which Greenwin might be found liable to the class. Greenwin's claim against the Board of Health alleges that more than a year before the fire, individuals working with the Toronto Bedbug Program also became aware of the hoarding in Unit 2424 and did not take sufficient action to address the situation.

On September 20, 2012 the City's Claim was issued against Greenwin to recover the costs the City incurred in providing emergency human services to the displaced residents of 200 Wellesley in the aftermath of the fire. The City's Claim also alleges that the fire was caused by Greenwin's negligence because it was aware of the potential hazard posed by hoarding in Unit 2424, but did not take appropriate steps to address the situation.

The *Blair* Class Action has recently settled as between the class and the defendants to the main action, TCHC and Greenwin. Greenwin has approached the City to resolve these matters and the details of the proposed terms of settlement are discussed in Confidential Attachment 1.

COMMENTS

Confidential Attachment 1 sets out and discusses the proposed settlement in respect of the City's Action.

CONTACT

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SIGNATURE

Anna Kinastowski
City Solicitor

ATTACHMENTS

Attachment 1 - Confidential Information