Mayor F. Eisenberger called the meeting to order.

THE FOLLOWING ITEMS WERE REPORTED TO CITY COUNCIL FOR CONSIDERATION:

1. CHANGES TO THE AGENDA

   (Ferguson/Powers)
   That the agenda be adopted as presented.       CARRIED.
2. DECLARATIONS OF INTEREST

None

3. ADOPTION OF MINUTES

3.1 June 10, 2008

(Morelli/Mitchell)
That the Minutes of June 10, 2008 be adopted as presented. CARRIED.

4. CONSENT ITEMS

(Powers/Collins)
That Items 4.1 and 4.2 be received. CARRIED.

4.1 Order PO-2681 – Ontario Heritage Trust

4.2 Written submission by Grant Head respecting Lister

5. DELEGATION REQUESTS

(McHattie/Powers)
That delegation requests 5.1 to 5.2 be approved:

5.1 Request to address Committee by Joe Mancinelli, LIUNA respecting Lister Block Rehabilitation

5.2 Request to address Committee by Anthony Butler on behalf of Working Group on the Lister Block and Architectural Conservancy of Ontario respecting “Call for Transparency” – Lister Block Rehabilitation

CARRIED.

6. DELEGATIONS/PRESENTATIONS

6.1 Tabled Motion from the February 27, 2008 meeting of Committee of the Whole respecting Lister Block Proposal

(Whitehead/Pearson)
That Item 6.1 be lifted from the table. CARRIED.
6.2 Lister Block - Agreement of Purchase and Sale
(FCS08060/PED08168/CM08018)

Joe Rinaldo provided an overview of the staff report.

Highlights included:
- Objectives
- Resolutions previously approved by Council
- Amended Conditional Grant Agreement
- Overview of Purchase and Sale Agreement
- Financial Impacts
- Recommendations

Mr. Rinaldo provided suggested amendments to two slides:

Slide 9 – amendment – add the words following “parties” in the last line - “subject to preserving their statutory rights”

Slide 10 – By August 1st amended to August 29th

Members of Council requested and received additional information from staff on the following:
- What would we save in leases over the term of the 20 years? – staff will provide numbers by email to council
- Tenant Improvements of $3.3 million – what does that include?
- Potential additional capital costs
- 65,000 square feet of usable space – moving staff from other leased space – what would be the impact on those buildings where staff are currently housed? – is there a number that relates to that loss?
  - Loss in taxes from space?
- LEED Certification - incorporate sustainable design standards
- What is the current commercial office vacancy rate in downtown Hamilton
- If we vacate right house what would that do to the vacancy rate?

6.3 Presentation by Joe Mancinelli, LIUNA respecting Lister Block Rehabilitation

Joe Mancinelli addressed members of council and highlighted the following in his presentation:
- Financial Analysis
- Real Estate Investment Returns
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- Analysis of comparative investment returns, 20 years
- Lister Property Costs
- Value Added options – addressed the two towers and lister building
- Economic Impact

Mr. Mancinelli advised that in principle LIUNA disagrees with a guarantee on development for various reasons i.e. risk factor, sets a bad precedence in community, sends negative message to developers in the community. What is being asked of LIUNA is unreasonable. LIUNA is proposing a guarantee of $250,000 on top of the already $4 million which LIUNA has injected into the project.

Mr. Mancinelli also advised that should he agree to the 1 Million, he would want conditions imposed:

1. Threshold would be for 60,000 sq. ft. – staff and LIUNA will work out the scale and penalized payments for the $1 million
2. Phase two could possibly be altered from residential to commercial or partial commercial if necessary

Members of Council posed a number of questions to Mr. Mancinelli including:

- With respect to the offer – to provide some assurance and security to city, is it inclusive or exclusive of retrofit on Thomas building, Balfour space and additional buildings fronting?

  Yes – in phase two of project – yes would like to see all that as part of phase two.

- Would you accept 4 million from the city to purchase the property?

  No – you have an offer on the table

- Can you clarify part of the second phase, are you saying that will in fact happen? – What happened to the level of enthusiasm from the February meeting? – can you comment on that?

  Has been a complex exercise – a lot of component to this. It has nothing to do with confidence but has to do with managing risk.
It still is a LIUNA deal. Kingsway is doing it with LIUNA resources – it is LIUNA that is risking in the long term. I am cautious because of the history of the project, we are losing 4 million dollars to date, and the economy has played a significant role. Things that can impact on residential housing.

- Structure of the Million dollar guarantee – is there some what staff would meet with Mr. Mancinelli to work on how to structure the million dollar guarantee? – Yes.

- What does 60,000 square feet generate in tax revenue? –

  Staff advised 60,000 sq. ft. would generate - $250,000 year in municipal taxes for residential
  $500,000 a year in taxes for commercial

- Where have we asked for monetary assurances in other development? – Has happened in other Municipalities but in Hamilton – no.

6.4 Presentation by Anthony Butler on behalf of Working Group on the Lister Block and Architectural Conservancy of Ontario respecting “Call for Transparency” – Lister Block Rehabilitation

Mr. Anthony Butler addressed Committee and addressed the following issues:

- call for transparency in ensuring since public money is involved on a deal without competitive bidding, transparency is essential. It is important to ensure that the price is fair and reasonable and should any savings be realized, they be passed on to the City Of Hamilton

- LIUNA must provide an open book accounting access throughout the project

- city should commission peer reviews of drawings and specifications for the rehabilitation of the building

Councillor McHattie suggested possibly establishing an advisory committee for the project perhaps.
6.2 Lister Block - Agreement of Purchase and Sale (FCS08060/PED08168/CM08018)

a) That the Agreement of Purchase and Sale, attached as Appendices “A”, “B”, “C” as amended, and “D” to report FCS08060/PED08168/CM08018, dated June __, 2008, between the City of Hamilton and LIUNA Local 837 Lister Property Corporation, be approved subject to (b) below;

b) That the Mayor and Clerk be authorized to execute the Agreement of Purchase and Sale in a form satisfactory to the City Solicitor, attached as Appendices “A”, “B” ,“C” (as amended) and “D” to report FCS08060/PED08168/CM08018, between the City of Hamilton and LIUNA Local 837 Lister Property Corporation;

c) That the General Manager of Public Works be authorized to engage MHPM Project Managers Inc., to act as the City’s Project Manager during the Lister Block Rehabilitation Project to the upset limit of $400,000 and that this amount be funded from the Unallocated Capital Reserve; and

d) That the General Manager of Planning and Economic Development be authorized to engage Clinton Brown Company Architecture (CBCA), as the City of Hamilton’s Heritage Consultant during the Lister Block Rehabilitation Project to the upset limit of $50,000 and that this amount be funded from the Unallocated Capital Reserve.

(Whitehead/Powers)
That the meeting be recessed at 12:50 p.m. to call the special Committee of the Whole meeting to order. CARRIED.

(Pearson/Powers)
That the Special Committee of the Whole be called to order at 12:51 p.m. CARRIED.

(Mitchell/Pearson)
That the Special Committee of the Whole be recessed. CARRIED.

(Whitehead/Pearson)
That the Committee of the Whole on the Lister Proposal be reconvene. CARRIED.
6.1 Tabled Motion from the February 27, 2008 meeting of Committee of the Whole respecting Lister Block Proposal
(Jackson/Whitehead)

That the following motion which was tabled at the February 27, 2008 meeting of Committee of the Whole respecting Lister Block Proposal be received. CARRIED.

(a) That the issue on the Lister Block Proposal be tabled pending further calculation information from staff on the items noted on Pages 22, 23 and 24 of the Peer Review presentation.

(b) That staff be directed to calculate all the potential financials associated with the ownership of Lister though lease arrangements, additional assessment base increases;

(c) Furthermore that this purchase option be conditional upon securing an agreement with Hi Rise/Liuna and Kingsway Arms for the residential development

(d) That steps be taken to seek a confirmation and extension from the province related to the restoration grant

(e) That staff provide a recommendation for consideration by committee.

(Whitehead/Powers)
That the motion in the staff report be deleted in its entirety and replaced with the following in lieu thereof:

a) That the Agreement of Purchase and Sale, attached as Appendices “A”, “B”, “C” as amended, and “D” to report FCS08060/PED08168/CM08018, dated June __, 2008, between the City of Hamilton and LIUNA Local 837 Lister Property Corporation, be approved subject to recommendation (b) and the following amendments noted below;

Section 4 – Holdback
That staff be directed to enter into further discussions with LIUNA with respect to the parameters for the $1 million dollar assurance being requested by the City of Hamilton and report back to Committee and Council
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Section 7(i) Heritage Component – amendment – add the words following “parties” in the last line - “subject to preserving their statutory rights”

Section 8 By August 1st amended to August 29th

Section 9(i) – striking out the following words:

Vendor covenants and agrees that the Development will be in compliance with the City of Hamilton’s Barrier Free Design Standards, subject to reasonable interpretation of the heritage building features. Vendor to submit to the Purchaser a description of all proposed issues that would not be in compliance with the City of Hamilton’s Barrier Free Design Standards;

(Whitehead/Merulla)
That as part of Section 4, the target number of $600,000 in municipal taxes be included. CARRIED.

b) That the Mayor and Clerk be authorized to execute the Agreement of Purchase and Sale in a form satisfactory to the City Solicitor, attached as Appendices “A”, “B”, “C” (as amended) and “D” to report FCS08060/PED08168/CM08018, between the City of Hamilton and LIUNA Local 837 Lister Property Corporation;

c) That the General Manager of Public Works be authorized to engage MHPM Project Managers Inc., to act as the City’s Project Manager during the Lister Block Rehabilitation Project to the upset limit of $400,000 and that this amount be funded from the Unallocated Capital Reserve; and

d) That the General Manager of Planning and Economic Development be authorized to engage Clinton Brown Company Architecture (CBCA), as the City of Hamilton’s Heritage Consultant during the Lister Block Rehabilitation Project to the upset limit of $50,000 and that this amount be funded from the Unallocated Capital Reserve.
Motion as AMENDED CARRIED on a Standing Recorded Vote as follows:

Yeas: Whitehead, Powers, Pearson, Mitchell, Merulla, Morelli, McHattie, Ferguson, Jackson, Eisenberger
Total: 10

Nays: Bratina, Clark, Collins, Duvall, McCarthy, Pasuta
Total: 6

The meeting adjourned at 1:10 p.m.

Respectfully submitted,

Mayor F. Eisenberger

M. Gallagher, Co-ordinator
Council, Committee of the Whole/Budgets
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