

## **State of Good Repair at Union Station**

*Facilities & Real Estate Division, Corporate Services Department*

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### **BRIEFING NOTE**

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#### **Issue/Background:**

Union Station requires significant attention to address urgent capital repairs in order to return the Station to a state of good repair and to avoid potentially hazardous situations. This note provides an update on the capital maintenance requirements and status of funding sources related to Union Station, as reflected in the 2004 EMT Recommended Capital Budget.

In July 2003, City Council considered a report on the Union Station Request for Proposals and Negotiations with Union Pearson Group. As part of its decision on this matter, City Council adopted a motion directing the Commissioner of Corporate Services to:

“...commence a state of good repair program for Union Station and include the necessary capital budget requirements in the 2004 capital budget; and that any capital expenditures incurred by the City for emergency deferred health and safety capital maintenance items in 2003, prior to closing which represents a lasting improvement to the project be calculated in the cost adjustment provisions in the Master Agreement and the lease;”

#### **Key Point(s):**

- Since it acquired Union Station in August 2000, the City has taken a caretaker role in its operation of the station in anticipation of the successful proponent taking over the station. Toronto Terminals Railway Company Ltd. (TTR) has continued to manage the day-to-day operations on an interim basis. The City is responsible for any capital maintenance and repairs outside day-to-day operations.
- In 2003, the Facilities and Real Estate Division identified and undertook three emergency capital repairs funded out of station revenues. In anticipation of the 2004 budget submission cycle, it was considered prudent to undertake an updated review of the station in the event this transaction is further delayed or if no deal can be reached with either proponent and the station remains in the City's building portfolio. This review identifies approximately \$35 million of necessary capital repairs at Union Station over the next five years to bring it into a state of good repair.
- Included in that review are eight state of good repair projects totalling approximately \$9.459 million identified as essential to complete in 2004. Most of these areas have not received any attention at all since the station was first completed over 75 years ago. The essential repairs needed in 2004 are listed below. Details of each of these projects indicate that these projects are

structurally necessary and are potential health and safety issues if not addressed. Full descriptions of these repairs are appended to this briefing note.

- Exterior façade repairs
- Repair/replace window on west wall of the Great Hall
- Replace York Street expansion joint \*
- Repair/replace pedestrian bridges along Front Street
- Replace skylights on flat roofs and on roof above ground floor
- Install new roof anchors and repair built-up roof
- Various emergency repairs

*\*Note: The expansion joint repairs are to be co-ordinated with GO Transit repairs of the Train Shed roof, as these repairs require train track closures. It is expected that these repairs will commence within approximately 12 to 20 months.*

- The original request for 2004 capital funding was \$11.490 million; funded by debt.
- Of the requested \$11.490, EMT recommended the deferral of one of the projects. This project will not be carried out until 2005 and relates to the York Street expansion joint. As a result, EMT recommended the deferral of \$2.031 million to 2005. In addition, a contingency for emergency capital repairs is expected to remain City responsibility.
- The City is currently in lease negotiations with Union Pearson. When and if the lease agreement is completed, Union Pearson will be responsible for future capital repairs. The extent of their responsibility for the repairs is an item for negotiation; however, early verbal agreements indicate that most of the funding for the projects would be recoverable. Should the deal fall through, all costs will need to be funded by the City, through debt.
- Total 2004 EMT recommended cash flow is \$9.459 million, with anticipated recoveries from Union Pearson in the amount of \$8.154 million and debt financing of \$1.305 million. Future year commitments total \$2.031 million in 2005.
- An RFP to begin design work for the repairs was issued and closed on Feb. 9, 2004. The proposals are presently being evaluated.

## **Questions & Answers:**

**Q: What are the implications of not proceeding with these repairs?**

**A:** There are significant structural implications with not proceeding with these essential repairs:

- Pieces of masonry, mortar and concrete have been known to fall from the façade and exterior stone cladding, risking injury to pedestrians or anyone working in Union Station.
- Serious delaminations in the concrete structure in the main plaza bridges over the moat area have been identified through core sample testing. Although some spot repairs were completed in the spring of 2003, the columns under the main plaza have extremely deteriorated steel exposed. This is a potential health and safety issue as concrete continues to spall.

- The expansion joints leak and require replacement to avoid continual water penetration to the station interior as well as continued deterioration of the track columns at various locations under the track structure.
- The west window in the Great Hall has been stabilized to prevent collapse however there are still many sections that need glass replacement and mullion repair.
- The skylights are continually leaking into the west area next to the Great Hall. This is causing significant damage to the interior finishes of the west waiting room area.

Ultimately these issues become life safety concerns. Corporate Facilities & Real Estate staff has determined that no further time should be lost in attending to these repairs.

**Q: The City bought Union Station in 2000. Why haven't any of these repairs been addressed in the last three years?**

**A:** The RFP process to restore, revitalize and operate Union Station began in 2001. Throughout the past two years, a deal with a successful proponent was always considered imminent. In 2003, \$700,000 in repair work was done at Union Station. These were considered "must do" and could no longer wait to be completed. The state of Union Station has now become critical that attention must be directed at the capital infrastructure in order to avoid future liabilities.

**Date:** February 10, 2004