



Final Report

St. Lawrence Market Precinct Advisory Committee

July 26 2012

1. Purpose

The St. Lawrence Market is a key City owned public asset that is important to the quality of life, economy, and image of Toronto. Real Estate Services staff asked for assistance to determine an appropriate governance structure for the St. Lawrence Market Precinct. The catalyst for the request is to provide a transition to a more permanent advisory structure arising from the North Market Revitalization Working Group which has been instrumental, with the Ward Councillor, in providing City staff advice on the North Market Revitalization. This memo recommends the creation of a program advisory committee which is named the St. Lawrence Market Precinct Advisory Committee. The committee will provide advice to the Director of Real Estate Services through the Manager of Real Estate Services and the Manager/Supervisor on the mandate, strategic direction, growth, planning, budgeting, and operations of the St Lawrence Market Precinct.

The St. Lawrence Market Precinct Advisory Committee is to be an advocate for the Market Precinct. This advice will assist in making key management decisions so that the Precinct maximizes its excellence as a vital, dynamic, and beautiful place that celebrates its heritage, strengthens its role as an important community anchor and city asset, and remains a favourite destination for residents of the Greater Toronto Area and tourists alike.

2. Stakeholder Input

To facilitate the analysis the CMO undertook a broad interview process with about 25 stakeholders including City staff, market tenants, community groups, and business groups. The stakeholders were asked about the successes and potential of the Precinct, its shortcomings, and how governance changes could help affect positive change.

The respondents provided the following input:

- The Market Precinct is a key piece of City infrastructure. It defines the 'heart and soul' of the City of Toronto. It is recognized internationally as a vibrant market;
- Despite the "organic" nature of interaction between tenants, the organizational challenges of the management structure, the precinct stakeholders and city staff manage to resolve operating issues, albeit with a lot of effort in some cases;
- The North Market functions well, except operations/cleaning, where some improvements can be made; and
- Consultation/interaction between the City and stakeholders has improved in recent years. There are a lot of people passionate and involved in the Market Precinct who want improvements to happen;

Stakeholders feel it appropriate that:

- The Supervisor of the Market Precinct is doing a good job, but his capacity is stretched and more management capacity is needed with a focus on event and marketing management. He lacks co-management resources and lacks authority to make decisions on behalf of Real Estate Services;

- There needs to be a clear demarcation of decision making authority for the Market Precinct Supervisor so there is the ability to implement efficiently and effectively. Currently he requires concurrence from other Division managers to complete many tasks;
- Decision making needs to be quicker, more efficient, and nimble. It can take a long time to implement changes due to the need to consult and coordinate with other Division managers and consult with community/tenant stakeholders;
- The Market Precinct needs operational improvement planning/executing cleaning, maintenance, and capital improvements in respect to customer service and timeliness as failures in these areas negatively affects the Market Precinct's image. For example, a major washroom renovation at the South Market was undertaken just prior to a Christmas, the peak shopping time; and
- The strategic directions developed for the Market need to be articulated and implemented. The City has to treat the buildings and a complex as a whole and look for synergies to make it stronger and more vibrant.

In terms of governance and organizational change the stakeholders feel:

- The Market Precinct should remain in public hands as there are key goals related to city building and heritage preservation, other than making profit only, that are important;
- Local stakeholders have an important role to play, but certain skills are needed on any governance body for the St. Lawrence Market Precinct. For example, there needs to be Board members with skills in areas such as facilities management, marketing, or special events;
- Real Estate Services needs a "management liaison" to interact with the Market Supervisor with real authority to deal with issues, and get quick action within the Division on behalf of the Supervisor ;
- The governance model used should not hamper the organic and entrepreneurial nature of working relationships within the Market Precinct so informal lines of communication between management and stakeholders need to be maintained;
- Any governance body formed needs to be balanced so that special, narrow interests cannot dominant the agenda. It should also represent interests of the entire Market Precinct and the City; and
- There needs to be a high level of transparency and accountability in decision making and auditing of performance needs to ensure accountability for decision making.

The stakeholder consultations identified some gaps in the management of the St. Lawrence Market Precinct. All stakeholders feel the Market Supervisor is competent, expends a lot of effort dealing with issues, and is cooperative with stakeholders. However, many stakeholders, including city staff, pointed to some organizational constraints that limit the capacity with the City to respond to operational issues in the Market Precinct. Four key constraints were identified:

- The Market Supervisor has limited decision making authority and must rely on the authority and cooperation of other Supervisors and Managers in the functional areas such as capital improvements, cleaning, and mechanical systems maintenance;
- Staffing resources and their allocation are not controlled by the Market Supervisor, but instead by other Supervisors within Real Estate Services as staff assigned to the Market Precinct are also responsible for other facilities. This “siloe” allocation of labour can inhibit adequate response to operational issues within the Precinct.
- The skill sets needed by the City to operate the Market Precinct needs to be expanded into areas where they lack capacity. For example, special events are held in the Precinct are organized by Market Precinct but there is limited capacity to carry them out; and
- Budget preparation for the Market Precinct has occurred by rolling up budget components prepared by different functional areas within Real Estate Services;

To date Real Estate Services staff has tried to address these constraints by:

- Realigning staff reporting roles so that the Market Supervisor has clear decision making authority over the City staff that conduct operations within the Market Precinct;
- Retaining a temporary marketing and communications staff person;
- Developing operating budgets for the Market Precinct by the Market Supervisor in consultation with the Director of Real Estate Services taking in to account the operational needs of the Market Precinct.
- The effectiveness of these measures, and the opportunity for new organizational tactics as required needs to be monitored in conjunction with the effectiveness of the St Lawrence Precinct Advisory Committee.

In commenting on this report stakeholders have additionally noted that:

- The Market Supervisor has limited decision making authority and must rely on cooperation in other functional areas of the City for matters such as capital improvements, cleaning, and mechanical systems repair. As such the Real Estate Services Division needs a management liaison to interact with the Market Supervisor in order to deal with issues and get quick action with the division on behalf of the Supervisor; and
- There needs to be a high level of transparency and accountability in decision making and auditing of performance needs to ensure accountability.

3. Public Market Governance Models

Public Markets in North America are organized around a wide variety of creative governance models. The models are often a result of history, circumstance, mandate and the legislative/legal frameworks available.

Pike Place Public Market in Seattle has been in operation since 1907. The City of Seattle has the legal authority to establish Public Development Authorities (PDA's) which are legally separate from the City of Seattle. The PDA's have a volunteer Council which oversees the activities of the Authority and directs staff as a Board of Directors would. The liabilities of the PDA must by contract with the City be wholly contained within the PDA and must not expose the City to any negative financial impacts. Pike Place Market not only has responsibility for the market operations, but leasing and maintenance of surrounding buildings, and the provision of some social services to low income residents ¹

Granville Island Public Market in Vancouver is part of long term redevelopment of the False Creek area for the development of housing, cultural and recreational uses. The False Creek lands are owned by Canada Mortgage and Housing Corporation (CMHC). For a fee, CMHC manages the market on behalf of the tenants. Capital costs are funded out of revenues and the market is required to act as a commercially viable entity. ²

The Reading Railway Terminal in Philadelphia was established in 1889 as the main station of the Reading Railway. In 1985 the City's commuter rail system was altered to by-pass the station making it redundant. The fate of the station and the associated adjoining market were unclear. In order to save the heritage building and the market the Pennsylvania Convention Center Authority was created with the mandate to transform the Reading Terminal into a new \$700M convention center. Due to public pressure they included in part of their work revitalization of the Reading Terminal Market. The Pennsylvania Convention Center Authority is state initiated public corporation responsible for the convention centre expansion and management of the operations of the convention centre and public market. They in turn formed the Reading Terminal Market Corporation, a non-profit Corporation to manage the operations of the market.³

Findlay Market in Cincinnati is the last of 9 public markets in the City. In 2001 the City created the Corporation for Findlay Market to help revitalize the market after a renovation. The market is a public, tax exempt corporation with a volunteer board of community members and market vendors. The mandate of the corporation is to lease, manage daily operations, market and promote and to improve sales, profitability and financial self sufficiency of the market. ⁴

The St John City Market was established in 1876. The City's Royal Charter of 1785 provided for the operation of public markets, naming the Mayor as Clerk of the Market with power to grant licenses to farmers, craftsmen and others to peddle their wares. Today, the Market Clerk and staff still preside over the daily operation of the market and report through the Market Committee to the Saint John City Council. ⁵

Like St John City Market, St Lawrence Market has been run continually as a city operated public market since the 19th century. In reviewing the governance options for the several options were examined.

The establishment of a public agency was considered. While agencies can be more flexible, nimble, and focused then City Divisions because their mandate is limited, they can be costly to establish, difficult to monitor,

¹ <http://www.seattle.gov/html/citizen/pda.ca>, 11/23/09

² Canada Mortgage and Housing Corporation, Summary of the 2009-2013 Corporate Plan, pg 25

³ //http: www.readingterminalmarket.org/about/management, 11/13/2009,

//http: www.en.wikipedia.org/wiki/Reading_Terminal, 11/13/2009

Request for Proposals – Vertical Transportation/Elevator and Escalator Maintenance Services, Pennsylvania Convention Centre Authority, September 11, 2009

⁴ <http://www.findlaymarket.org/corporation/htm>, 11/17/2009

⁵ <http://www.sjcitymarket.ca/history/pepowdercourt.html>, 08/12/09

and may not be accountable to key city objectives, especially complex, qualitative ones such as improving the social or cultural atmosphere of the City. Given, the broader public qualities the market imbues this option was thought too risky.

Alternate Service delivery was a second option for service delivery considered. City staff's role in the management of the Market Precinct would be to oversee contract administration of the private manager. While this model could be effective, it is highly dependent on the quality, comprehensiveness, and clarity of the management agreement. It requires the City and the contractor to share similar objectives and to maintain a constructive working relationship. It also requires effective relationships with tenants. This option may prove impractical because:

1. the Market Precinct has three different business operations in the North, South and St Lawrence Hall requiring a wide range of property management skills;
2. the North Market revitalization will, through establishment of court space increase the public sector use of the site;
3. the Precinct is a key public resource and should be closely managed by the City to ensure it enhances the quality of life and image of the City and is therefore strategically important; and

Alternate service delivery would require redeployment of supervisory and unionized staff to other areas within the City. The current operating environment within the Market Precinct is complex with many actors such as tenants, the community, and many city staff all playing a role in its daily functioning. Incremental change is proposed as it is the least disruptive to the existing management structure and permits continuity of management and operations for the Precinct, while keeping it closely held by the public. The effectiveness of the incremental changes can be monitored and easily adjusted by the Real Estate Services Division after they are implemented. The governance model chosen most closely resembles an amalgam of the public local government owned/operated market run by St. John's coupled with the idea of a Council or group of volunteer leaders provided in the PDA model used in Pike Place Market in Seattle.

4. Proposed Governance Change

In the current governance structure for the St Lawrence Market Precinct Real Estate Services, and other City Divisions who assist operations, have informal interaction with the stakeholders, and often under stressful, reactive situations needing a rapid fix. There is no overall coordinated structure for stakeholder input or advice regarding the Market Precinct as a whole from local stakeholders. Nor is there a mechanism for input from non-local interests or an expertise based citizen perspective. Given the Citywide importance of the St Lawrence Market Precinct as a strategic city asset a more rigorous and formal mechanism for getting pro-active advice on the strategic growth and operation of the Market Precinct is desirable. Consultation with citizen experts and stakeholders on a coordinated basis from a broad range of stakeholders would provide ongoing assistance to the Market Precinct Supervisor in resolving operational issues and developing and implementing strategic change to improve the Market Precinct.

It is recommended that a new governance structure, a program Advisory Committee, reporting to the Director of Real Estate Services through Market Precinct Supervisor, be formed. The Advisory Committee will provide advice to the Director, Manager and Market Precinct Supervisor on a wide range of operational matters and

longer term strategic issues regarding the Market Precinct. The St. Lawrence Market Advisory Committee will have a hybrid composition of local stakeholders and City wide representatives with a mix of skill sets useful to its governance as an important City facility. The Advisory Committee meetings will be attended by the Market Supervisor and the Manager of Real Estate Services. The Director of Real Estate Services will attend periodically (approximately half of the meetings). They will request other City staff attend as needed.

Specifically, it is recommended that the St Lawrence Market Precinct Advisory Committee be comprised of:

- 1 representative of each of the South Market, Farmer's Market, Antique Market, and St. Lawrence Hall, excluding Heritage Toronto;
- 1 representative from Heritage Toronto;
- 1 local resident representative from the St Lawrence Neighbourhood Association.
- 1 local business representative from the St Lawrence Market Business Improvement Area; and
- 6 skills based representatives recruited on a non-local basis with expertise in areas such as tourism and hospitality, food service or retailing, marketing, event management or facilities management, environmental management.

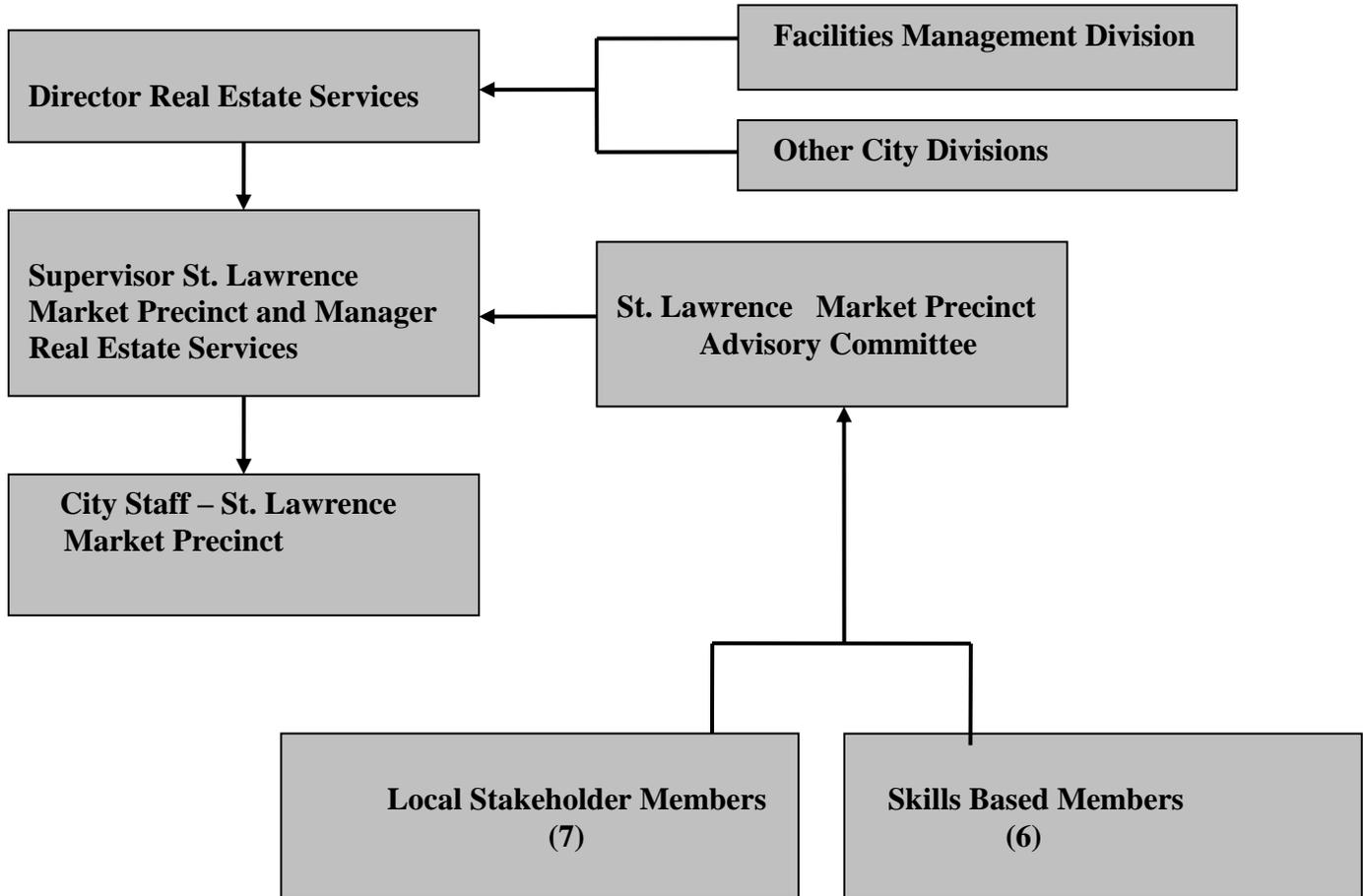
The term of the citizen appointments will be coincident with Council's term and an individual will only serve a maximum of 2 consecutive terms (8 years). The Stakeholder groups will be expected through a fair and transparent process of their own design to choose their representative and inform the Market Precinct Supervisor of their choice.

The advertised recruitment the 6 skills based positions will be led by Real Estate Services staff with assistance, as needed, from the City Manager's Office. The 6 skills based representatives will be recruited on through an advertised process with short listing, interviews and selection occurring through a Selection Committee of Real Estate Services staff, the Ward Councillor, and a representative of the stakeholder groups.

5. Summary

The St. Lawrence Market Precinct is a major City asset and a public focal point. The Market Precinct will receive a major capital infusion within the next few years for the planned capital expenditure on North Market revitalization, injecting added life into the Precinct. Given these factors, the establishment of an Advisory Committee for the Precinct makes sense. The Advisory Committee is designed to bring a diverse set of idea of ideas and skills into play to help City staff manage the St Lawrence Market Precinct

Attachment 1: Proposed Governance Structure – St Lawrence Market Precinct



Attachment 2: Terms of Reference St Lawrence Market Precinct Advisory Committee

1. Purpose

The St. Lawrence Market is a key City owned public asset that is important to the quality of life, economy, and image of Toronto.

The St. Lawrence Market Precinct Advisory Committee is to be an advocate for the Market Precinct and provide advice to the Director of Real Estate Services through the Manager of Real Estate Services and the Manager/Supervisor on the mandate, strategic direction, growth, planning, budgeting, and operations of the Market Precinct to assist the City in making key management decisions so that the Precinct maximizes its excellence as a vital, dynamic and beautiful place that celebrates its heritage, and makes it a favourite destination for residents of the Greater Toronto Area and remains a renowned public market destination for tourists.

2. Definition of St. Lawrence Market Precinct

The St. Lawrence Market Precinct is comprised of the South Market, North Market, St. Lawrence Hall and the abutting open spaces and sidewalks.

3. Mandate and Commitment

The role of the St Lawrence Market Precinct Advisory Committee is to advise City Staff on:

- (a) the long term strategic direction for the St. Lawrence Market Precinct;
- (b) operational improvements to the Market Precinct;
- (c) marketing and events planning and promotion;
- (d) tenant activities and relations, including those affecting leasing;
- (e) heritage conservation within the Precinct;
- (f) capital projects, including the North Market Revitalization;
- (g) public outreach and consultation;
- (h) partnering opportunities;
- (i) setting of performance goals and benchmarks; and
- (j) other matters that the St Lawrence Market Precinct Supervisor wishes advice on.

Advisory Committee members are required to have a keen, genuine and public minded interest in the St Lawrence Market Precinct along with a passion for the vibrancy it adds to the city. They need to possess a sense of vision for its potential as an important city place. They need to think strategically. They are also expected to listen to, appreciate and reflect on the views of the other Advisory Committee members and City staff. The members are expected to act respectfully in meetings. The decisions of the Committee are not binding on the City – they are advice to be taken carefully and thoughtfully into City decision making.

The Market Supervisor/Manager shall bring all substantive matters to the Advisory Committee where it impacts the operation or future of the Market Precinct. The materials needed to provide sound advice by the Advisory Committee will be provided to them. Notwithstanding this, the Market Supervisor will take appropriate actions to protect personal privacy, and protect information that if released would either create a conflict of interest to a majority of Advisory Committee members or work against the interests of the City. Advisory Committee members must remove themselves from discussion of any issues which create a conflict of interest or the appearance of a conflict of interest. In such cases, they should declare conflicts of interest at the beginning of the Advisory Committee meeting.

4. Advisory Committee Composition

The St Lawrence Market Precinct Advisory Committee shall be comprised:

- (a) 1 tenant representative of each of the South Market Tenants Association, North Market Farmer's Association, Sunday Antique Market Association, and St. Lawrence Hall, excluding Heritage Toronto;
- (b) 1 representative from Heritage Toronto;
- (c) 1 local resident representative from the St Lawrence Neighbourhood Association.
- (d) 1 local business representative from the St Lawrence Market Neighbourhood Business Improvement Area; and
- (e) 6 skill based representatives recruited on a citywide basis with expertise in areas such as tourism and hospitality, food service or retailing, marketing, event management or facilities management, environmental management.

The Ward Councillor or a designate from their office is encouraged to participate and to bring their perspectives to the meetings. The Ward Councillor is not a member of the Advisory Committee. Meetings are open to the public.

5. Membership Eligibility

The stakeholder representatives must be chosen through their own internal process which is fair, accountable and transparent. The representative must be a member of the stakeholder group.

The 6 citizens recruited for their skills and expertise must reside in the City of Toronto.

All members shall be at least 18 years of age. The stakeholder groups may wish to designate an alternate should their representative no longer be able to attend meetings due to life changing circumstances such as illness, relocation to another City, change of occupation. In such cases the member should formally resign whereupon the alternate would be requested to fill the vacancy and attend the advisory committee meetings.

The selection of the skills based members should include the designation of at least one alternate and up to 2 alternates in case a member resigns.

6. Term

The term shall commence January 1st of the year following a municipal election and end December 31st the year of a municipal election, or until successors are appointed by the Director of Real Estate Services. An Advisory Committee member may serve a maximum of two consecutive terms of City Council. For the initial term it shall run the balance of the Council term and shall constitute a full term. The members shall sit until their successors are appointed.

7. Recruitment Process

The Recruitment process will be managed by City staff in the Real Estate Division, with the support from the City Manager's Office, as needed.

Recruitment of Local Stakeholders

The local stakeholder groups represented on the Advisory Committee shall be sent a letter from the Director of Real Estate Services asking for them to nominate one of their members, chosen through a fair and transparent process determined internally by the stakeholder group. The name of the stakeholder representative who is to sit as a member shall be submitted in writing to the Director of Real Estate Services. The process used to recruit the stakeholder member shall be explained in the letter in respect the fairness and transparency of the recruitment process used.

Recruitment of the St Lawrence Hall Tenant

The Director of Real Estate Services shall communicate in writing to tenants of St. Lawrence Hall that there is a single position available amongst this group for membership on the Advisory Committee. The Director of Real Estate Services shall receive the applications and then consult with the Ward Councillor in making a decision on which tenant occupies this position.

Recruitment of Skills Based Members

The City's Real Estate Division shall lead the recruitment process of skills based members and will be supported by the City Manager's Office. The applications for the 6 skills based citizen appointments shall be considered by the Director of Real Estate Services, the Ward Councillor, and a representative of one of the stakeholder groups chosen by the stakeholder representatives. They will screen for qualifications, shortlist candidates for interviews, conduct candidate interviews and will select the successful candidates.

The recruitment process will take place through advertisement in at least one daily newspaper and on the City of Toronto website. Applications will be available on the City's website. Intake of applications shall be done by Real Estate Services. The successful candidates will be given written notice of their selection and be asked to formally accept the nomination by letter or email.

8. The Chair and Vice-Chair

The Advisory Committee shall be chaired by either the Manager or the Director of Real Estate Services for at least the first meeting of each term and for no more than the first 2 meetings of the term until a Chair and Vice

Chair is chosen. The Chair and Vice Chair shall be members of the Advisory Committee chosen by members of the advisory committee through a vote.

The Chair and Vice -Chair shall preside for one year and shall then be replaced or reaffirmed through a vote of the advisory committee members. The Chair and the Vice-Chair shall collaborate with the Market Supervisor and/or Manager of Real Estate Services to determine what items are to be placed on the meeting agenda. The Vice-Chair shall assume the role of the Chair when she/he is absent. In no case shall a Chair or Vice-Chair sit more than 4 years in their position.

9. Staff Support

The Market Precinct Supervisor will chair the meetings of the Advisory Committee until a Chair and Vice Chair is chosen or should both be absent. A staff person from Facilities and Real Estate will be assigned by the Market Precinct Supervisor to prepare and distribute the agenda, any meeting materials, and to take and distribute the meeting minutes. The agenda and relevant information shall be circulated to the Advisory Committee members at least 7 days prior to the meeting and the agenda shall include with it minutes of the past meeting and other relevant materials.

The meetings will be attended by the Market Supervisor and the Manager of Real Estate Services. The Director of Real Estate Services will be expected to attend periodically, approximately half the meetings annually. Where needed, the Director or manager of Real Estate Services will request other City staff attend the meetings to discuss specific issues affecting their program area.

10. Meeting Frequency

The Advisory Committee will meet at least 6 times per year and no more than 12 times per year depending on the number of issues the Market Precinct Supervisor requires advice on.

11. Decision Making

The Advisory Committee makes recommendations only and will not vote on matters, except election of a Chair and Vice Chair. The Market Precinct Supervisor/Manager shall have careful regard for advice of the Committee before taking action. The Market Precinct Supervisor shall report to the Advisory Committee in an accountable and transparent fashion providing the information needed to enable the Committee to provide sound, well thought out and timely advice. For the sake of clarity, the Market Supervisor reports to the Manager of Real Estate Services who reports to the Director of Real Estate Services. The Director has the right to instruct the Supervisor directly but normally will delegate management of the Supervisor to the Manager of Real Estate Services.

12. Open Meetings: Guests and Deputants

Meetings are open to the public. Guests and deputants may attend and present on agenda items but must be placed on the meeting agenda as a guest or speaker after agreement of the Chair.

13. Closed Session

Matters of a proprietary nature such as sales, rents or lease details may be discussed within in closed session and details of which need not be included in the Meeting Minutes, although any conclusions on advice shall be minuted. The Chair has the discretion, in conjunction with the St Lawrence Market Precinct Supervisor to determine if an item requires a closes session. The City's criteria for closed sessions apply (see - http://insideto.toronto.ca/secretariat/pdf/holding_closed_meetings.pdf). Closed sessions should be held very infrequently.

14. Meeting Quorum and Minutes

Meeting quorum is a majority of members. Minutes of the Meetings shall be kept by The St Lawrence Market Precinct Supervisor, and be made available to the public upon request. The Advisory Committee shall approve the meeting minutes.

15. Conflicts of Interest

Advisory Committee Members will declare real and perceived conflicts of interest. A conflict of interest can be defined as a situation where is potential for the member, their friends or family to directly gain monetarily through the advice given by the Committee. Members shall disclose their conflicts of interest to the Chair prior to the meeting and excuse themselves from the meeting when the particular matter is discussed.

16. Member Conduct

Advisory Committee members will treat each other with respect and act civilly and professionally during meetings. Where a member's behaviour is inappropriate the Chair can request the member to leave the meeting. If the behaviour is ongoing and persistent from meeting to meeting the Chair can request that the member resign. The Members serve at the pleasure of the Chief Operating Officer of the City of Toronto.

17. Absence and Replacement

If a Committee Member is absent for more than 3 consecutive meetings the member shall be deemed to have been removed, unless they have been granted a leave from the Advisory Committee Chair, in consultation with the Director of Real Estate Services. In the event of an absence of a member the Director of Real Estate Services may recruit a new member provided there is at least one year remaining in the term. Prior to recruiting a new member the Director of Real Estate Services will solicit interest from any alternates who have been appointed either from the skills based members or alternates representing the stakeholder members.

18. Committee Orientation

Once the Advisory Committee has been appointed for a new term, the manager of Real Estate Services and Market Precinct Supervisor shall conduct, with the assistance of the City Manager, a Committee orientation session to educate the members regarding the Market Precinct Complex, its functioning, and current and ongoing issues and projects.

19. Review

In the last year of each term of the Advisory Committee the Chair and Vice-Chair shall prepare a short report assessing the effectiveness and accomplishments of the Committee during the term and shall recommend any, if any, changes to the form or function of the Committee such report to be submitted to the Chief Operating Officer and the City Manager for their consideration.