

MEETING DATE: November 20, 2002

SUBJECT: Lease Renewal - Go Transit York Mills Regional Bus Terminal

RECOMMENDATION

It is recommended that the Commission:

1. approve the execution of an agreement with GO Transit for the continued use of the Regional Bus Terminal at York Mills Station under the terms and conditions set out in this report; and
2. authorize staff to take such action as is necessary to give effect thereto.

FUNDING

Annual rent will increase from \$222,480 to \$250,403 over the initial five-year term of the agreement representing an annual increase of 3%. The current annual rent is \$216,000.

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BACKGROUND

Since completion of the York Trillium Development in 1993, GO Transit, under successive agreements, has continued to operate its inter-regional bus service from the York Mills Regional Bus Terminal.

Over the years GO Transit has established the York Mills Terminal as an operationally successful facility from which to provide a convenient service to its riders. Therefore, GO is willing to continue utilizing the facility for the foreseeable future under new leasing terms.

DISCUSSION

Negotiations with GO Transit staff have taken place and, subject to Commission approval, consensus has been reached for lease renewal under the following terms and conditions:

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Rent

Year	Annual Rent	Monthly Rent
1	\$222,480	\$18,540
2	\$229,154	\$19,096
3	\$236,030	\$19,670
4	\$243,110	\$20,260
5	\$250,403	\$20,867

- Rent for the subsequent five years is to be negotiated between GO Transit and the TTC.
- Rent represents an annual increase of 3%.
- GST is to be applied to rent.
- As in the past, rent payments are intended to cover TTC operating and maintenance expenses associated with the facility.

Term

Ten years commencing April 5, 2002 to April 4, 2012.

Termination

Six months notice by either party following the first five years of the agreement.

All other terms and conditions of the existing lease agreement dated October 8, 1993 will remain unchanged.

JUSTIFICATION

The use of the York Mills Regional Bus Terminal by GO Transit provides measurable benefits to the TTC in the form of additional passengers and increased revenue for our retail tenants at York Mills Station. In addition the TTC incurs no out-of-pocket expenses since all operating and maintenance expenses are covered by the GO Transit's rent payable under this agreement. Accordingly, it is recommended that the revised lease terms be approved.

October 31, 2002

