

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: July 9, 2009

SUBJECT: AMENDMENT TO 15 DUNDONALD GROUND LEASE

ACTION ITEM

REASON FOR CONFIDENTIAL INFORMATION:

This report is about a proposed or pending land acquisition by the Commission.

RECOMMENDATION

It is recommended that the Commission approve:

- 1) The recommendation as set out in the confidential attachment;
- 2) The recommendation remain confidential until expiry of the term; and,
- 3) Authorize staff to execute the necessary lease amending agreements to the satisfaction of TTC's General Counsel.

FUNDING

The funding impact will be included in TTC's future capital and operating budgets, as detailed in the confidential attachment.

BACKGROUND

TTC is the owner of lands acquired for the construction of the original Yonge Subway line between Wellesley and Dundonald. The ground tenant constructed a rental apartment building directly above the Wellesley subway station and bus terminal.

Pursuant to a ground lease with Cosview Construction Limited, TTC leased the premises for an initial term of 33 years with two renewal options for additional terms of 33 years each. The first renewal option was exercised in 1998 and we are presently in the middle term of the three possible terms. The lease was eventually assigned to EL-AD, and EL-AD has approached TTC concerning a change to the lease to facilitate financing.

At the same time, TTC is seeking to construct a second entrance & exit to the Wellesley station as approved at the May 28, 2009 meeting of the Commission. A portion of the property required for the new entrance forms part of the premises.

DISCUSSION

The tenant is seeking to reconfigure the term of the existing lease and subsequent renewal term such that the current term would be extended and the final term would be shortened.

TTC is seeking to expand the area it occupies for transit purposes and obtain the agreement of the tenant regarding the impacts of construction and the post construction condition on the tenant's building.

JUSTIFICATION

The recommended amendments would permit each of the parties to realize their desired objectives.

June 23, 2009
22-11-1