

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** May 28, 2009

**SUBJECT:** RENT RENEWAL - 7 JACKES AVENUE

## **ACTION ITEM**

## **REASON FOR CONFIDENTIAL INFORMATION:**

This report is about a proposed or pending acquisition or disposition of land for municipal or local board purposes.

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## **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 2009 and future operating budget submissions, as detailed in the confidential attachment.

## **BACKGROUND**

TTC is the owner of lands acquired for the construction of the original Yonge Subway line including two parcels east of Yonge Street, one between Jackes Avenue and Woodlawn Avenue and the other between Woodlawn Avenue and Summerhill Avenue. The tenant constructed a rental apartment building on the north parcel directly above the Yonge Subway Right of Way (ROW). TTC required the tenant to construct a deck above the south parcel between Woodlawn and Summerhill.

Pursuant to a ground lease commencing January 1, 1969, Front Trinity Development Corporation Limited, leased these two parcels for an initial 40 year term with two renewal options for additional terms of 30 years each.

The current tenant is the assignee of Front Trinity and has provided written notice to exercise its option to a lease for the first renewal term. Save and Except for the amount of rent payable, which is defined only as a 'fair and proper sum to be paid yearly for the demised lands excluding buildings and improvements', the lease is to be under the same terms and conditions as currently exist.

**DISCUSSION**

The annual rent was fixed at a single value for the entire 40 year term. The first renewal term is an opportunity to bring the rent up to current rates and define a mechanism for future escalation in rent.

**JUSTIFICATION**

The recommended settlement provides a substantial increase in carefree net rent to TTC and provides for future increases in rental.

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May 28, 2009

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Attachment: Confidential Attachment