

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: October 24, 2012

SUBJECT: YONGE/EGLINTON - TRANSFER OF LEASEHOLDS TO
BUILD TORONTO

ACTION ITEM

RECOMMENDATION

It is recommended that the Commission:

1. Declare surplus a portion of the land under the office buildings located at 2180 Yonge Street and 2200 Yonge Street illustrated as Parts 3 and 4 as shown on Appendix 1 for the purpose of transfer to Build Toronto. Any declaration of surplus by the Commission is subject to the retention of ownership by the TTC of those areas and interests that are required to satisfy current and future TTC operational requirements;
2. Declare surplus a portion of the lands located at 2180 Yonge Street and 2200 Yonge Street described as Parts 1 and 2 as shown on Appendix 1 for the purpose of transfer to Build Toronto. Any declaration of surplus by the Commission is subject to the retention of ownership by the TTC of those areas and interests that are required to satisfy current and future TTC operational requirements, including property required by Metrolinx for the Eglinton-Scarborough LRT, the permanent bus terminal, fire vents and second platform;
3. Authorize staff to execute any and all agreements with Build Toronto which would transfer effective control of the ground leases, subject to ensuring the paramountcy of transit operations and guarantee of continued lease revenue for 10 years to the TTC, in a form satisfactory to the General Counsel. Also, timelines and cost sharing principles to be part of the above noted agreements;
4. Authorize staff to participate in a formal working group including Metrolinx, Infrastructure Ontario, Build Toronto and the TTC to define the transit operational needs and incorporate the ultimate property descriptions into the legal documents for the transfer agreement between Build Toronto and the TTC;

FUNDING

Build Toronto will guarantee that TTC will continue to receive 10 years of future rent from the Ground Leases.

BACKGROUND

Pursuant to EX32.5 adopted by Council at its meeting of May 25, 2009, Council declared surplus by way of a "Turnover" to Build Toronto (BT) the property described as: Part of 2200 Yonge St., being that part of Part 1 on Appendix 1 below 85 metres above grade and that part of Part 2 on Appendix 1 below 120 metres above grade as to the Council resolution (the "Property").

A land "Turnover" gives BT effective control over the lands to manage, develop and market, with authority to transfer title when required. Under this procedure the TTC must declare the Property (in whole or in part) surplus to its operational needs, however retaining those areas and interests in the Property that are required to satisfy the TTC's operational requirements. Furthermore, EX32.5 (as amended by Council at its meeting of May 25, 2009) declares surplus only the portions of the Canada Square site involving the "strata" parcels including below grade fee simple rights as above grade "air" rights to a maximum of designated heights, effectively limiting the heights of buildings constructed on the lands. The office buildings at 2180 Yonge St. and 2200 Yonge St. are excluded from EX32.5 and the Council resolution.

TTC transferred bus maintenance operations out of the original Eglinton Bus garage in 2002. A major portion of the vacated garage was used for construction of an interim bus terminal in response to the deteriorating structural condition of the original 1954 bus terminal. The old bus terminal lands have been essentially vacant since its closure in 2004.

TTC has earmarked the Property as potential sites for a new bus terminal, second platform, fire ventilation, and a construction staging area for the LRT. The requirements for the Eglinton Crosstown LRT to accommodate stations and other facilities are not confirmed at this time.

The bus terminal lands will be temporarily required for the construction of the LRT until perhaps 2020 so there is plenty of opportunity to plan the redevelopment.

DISCUSSION

BT's vision for the Canada Square complex is under its proposal to construct a major redevelopment referred to as "Midtown City Centre". The master plan includes a mix of office, residential and retail uses and a multi-modal transit hub to provide seamless service to the TTC and LRT customers. BT is also suggesting a possibility for a new TTC head office somewhere on the site.

BT's proposed project timetable would result in the termination of the Ground Leases in parts or as required over a 10 year horizon, providing fee simple ownership.

The TTC property lies at the geographic centre of the City serving millions of transit passengers annually and is as valuable to transit operations as the redevelopment value. There is an excellent opportunity for further Transit Oriented Development (TOD) along with the LRT consistent with the secondary plan.

However, our priority is optimizing the transit facilities for the convenience of our customers at the least cost. Transit property requirements must be accommodated first and then the surplus lands can be developed.

The TTC wishes to support further intensification and increased transit use at this hub and will continue to support the City in achieving its goals.

JUSTIFICATION

A revitalization of the Canada Square complex in conjunction with the construction and interconnection of the new LRT line with the existing Yonge subway line and Eglinton bus terminal will create new value and opportunity to achieve the City's Official Planning goals.

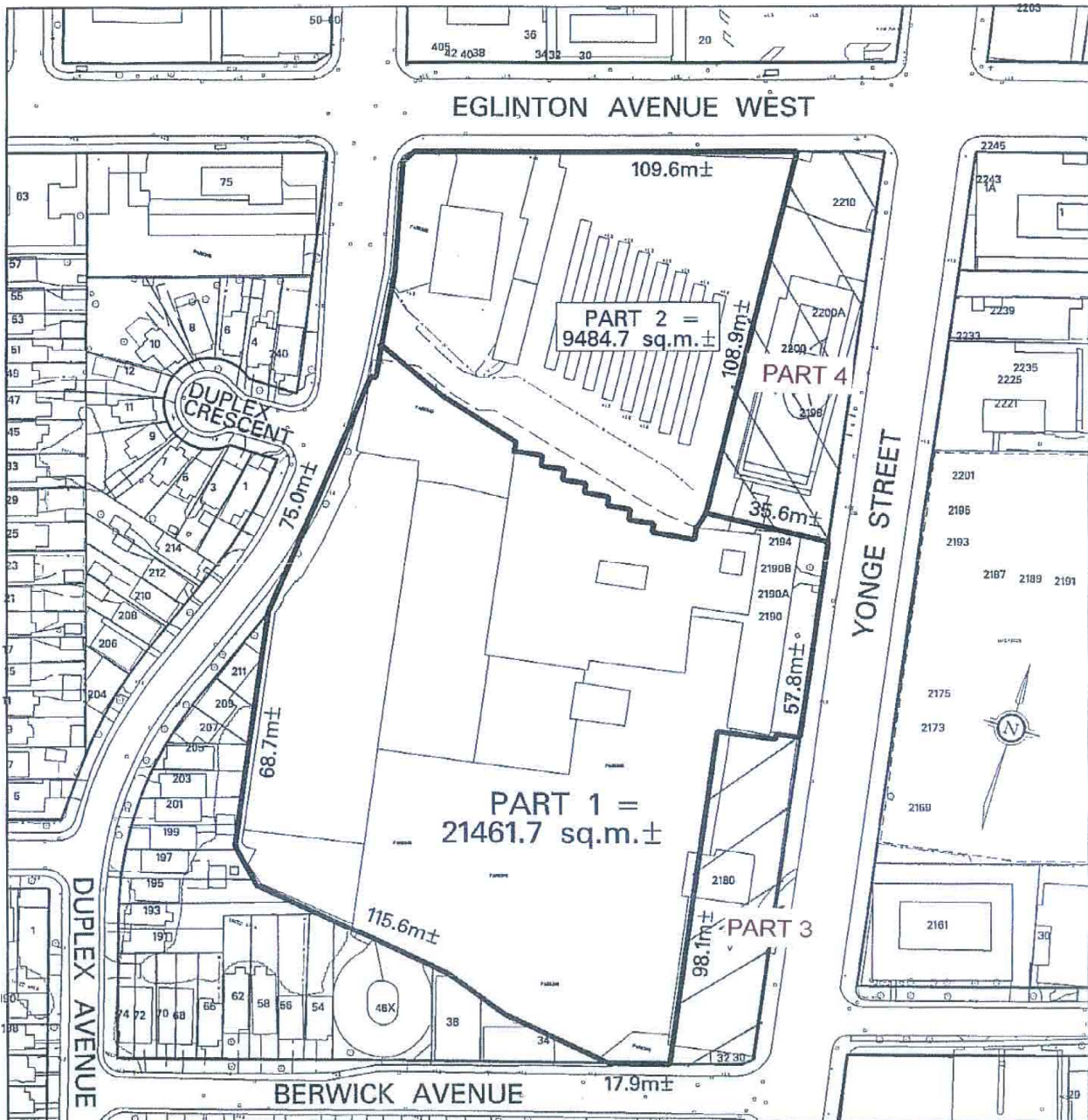
TTC's Yonge & Eglinton property is critical to transit operations and a presently undefined portion is not surplus and must be retained. Property income from the balance of the site has been an excellent example of sustainable funding for transit from private sector land development over the last 50 years.

While the completion of the both the LRT and the redevelopment lie in the future, given the scope of the site and the projects, this is the time to start the planning.

October 24, 2012

22-9-1

Attachments: Appendix 1 – Sketch No.PS-2009-040



TORONTO
 TECHNICAL SERVICES DIVISION
 SURVEY & MAPPING SERVICES

NOTE:
 THIS SKETCH HAS
 BEEN COMPILED
 FROM OFFICE RECORD.

CHECK BY JOHN HOUSE
 PREPARED BY: DWAYNE PITT

WARD 22 - ST. PAUL'S
 DATE: MARCH 20, 2009

PROPERTY INFORMATION SHEET

TTC OWNED LAND
 NO. 2200 YONGE STREET

SKETCH No. PS-2009-040