

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: March 27, 2013

SUBJECT: TORONTO-YORK SPADINA SUBWAY EXTENSION
HIGHWAY 407 STATION PARKING LOT AGREEMENT

ACTION ITEM

RECOMMENDATION

It is recommended that the Board:

1. Approve the commercial terms outlined in this report associated with the parking lot agreement between the TTC and Her Majesty the Queen in Right of Ontario as represented by the Minister of Infrastructure for the Highway 407 Station, as part of the TYSSE project, and
2. Direct TTC staff to take the necessary action to execute the parking lot agreement by March 31, 2013.

FUNDING

Sufficient funds for this acquisition are included in the TTC's 2013-2022 Capital Program, which was approved by the Commission on November 21, 2012 and by Council on January 16, 2013. Funding for this work is included in the Toronto-York Spadina Subway Extension project (Category – Expansion) as referenced in the 2013-2022 Capital Program books noted on pages 1229. The cost of the license fee will be charged to the capital and operating budgets as appropriate.

BACKGROUND

The TTC has designed commuter parking lots at three stations on the Toronto-York Spadina Subway Extension project. These commuter parking lots were approved by the TTC Board, as part of the design review of the stations. The commuter parking lot facilities were also approved through the Environmental Assessment studies completed for the project, and approved by the Minister of the Environment.

The first of the three commuter parking lots is under construction at the Highway 407 Station site in Vaughan. The land at this location is owned by the province and managed by Infrastructure Ontario (IO).

The lands for Highway 407 Station and related facilities are the subject of several property agreements between the IO and various stakeholders. All of these agreements are being finalized for execution by the respective parties by March 31, 2013, to avoid added costs to the project.

DISCUSSION

TYSSE staff, in consultation with the TTC's Property Development and Legal departments, negotiated the commercial terms outlined in this report that are to be included in the Parking Lot Agreement between the Toronto Transit Commission and Her Majesty the Queen in Right of Ontario as represented by the Minister of Infrastructure for the commuter parking lot at Highway 407 Station.

Commercial Terms:

Term: Eight (8) years commencing April 1, 2013, expiring March 31, 2021.

License Fee: Payment by March 31, 2013 of \$2,126,845.00, plus applicable taxes (and adjustments), in rent covering the period from April 1, 2013 to March 31, 2021.

The commercial terms negotiated are favourable to the TTC and the TYSSE project, as noted below:

- A site specific blended rate value based on 2011 appraisals has been applied in the calculation of the license fee rather than current area industrial land values which would result in a higher license fee.
- The normal periodic license payments have been discounted at an appropriate rate resulting in a single payment for the eight year.
- The initial eight year term ensures the TTC can operate the parking lot for a minimum of approximately five years following construction, without termination.
- Allows for future license renewals of two further five year extension terms.

JUSTIFICATION

The Highway 407 Station commuter parking lot;

- will be owned and operated by TTC per the Operating Memorandum of Understanding Agreement between the TTC, City of Toronto and York Region (dated December 2008), generating revenue for the TTC; and
- will serve as the terminus commuter parking lot, in absence of a commuter parking facility at Vaughan Metropolitan Centre Station, as defined in the approved Environmental Assessments for the project.

March 27, 2013
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