



Report for Action with Confidential Attachment

Surplus Property Review - Phase 2 Update

Date: March 20, 2018
To: TTC Board
From: Chief Capital Officer

Reason for Confidential Information

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

Summary

As directed at the September 28, 2016 TTC Board meeting, staff are providing further details on the Surplus Land Review. This report outlines the costs associated with studying and protecting TTC operations on properties that have been identified as having redevelopment potential.

Recommendations

It is recommended that the Board:

1. Receive this report and direct staff to provide CreateTO with a copy including the Attachment 1; and
2. Authorize the public release of the information contained in Attachment 1 once any property, or any portions thereof, have been formally declared surplus by the Board.

Financial Summary

There is no existing budget for TTC to complete further analysis of the subject properties. As such, it is expected that the City/CreateTO will determine the next steps for analysis of the redevelopment potential of the properties at its expense. Any arrangement between TTC and CreateTO would be formalized within individual transfer agreements for each property that would specify the technical and financial arrangements to cover all TTC costs (i.e. designing and protecting existing and future TTC operations) as part of any redevelopment proposal.

Multiple properties outlined in Confidential Attachment 1 generate revenue for the TTC by way of lease and/or air-rights agreements. Any transfer of these properties would need to ensure that TTC's annual operating budget is held harmless. Furthermore, the redevelopment of TTC property may have a future cost to the TTC to monitor and ensure effectiveness of the protection measures.

The Chief Financial Officer has reviewed this report and agrees with the information.

Equity/Accessibility Matters

This report relates to the status of TTC's property assets. Any redevelopment of these properties would incorporate accessibility requirements.

Decision History

At its meeting of August 27, 2008, the Board approved the "Development of Transit Properties 'Work Plan'" report. This report approved the examination of potential redevelopment of TTC property.

[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2008/Aug 27 2008/Other/Development Of CreateTOns.jsp](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2008/Aug%2027%202008/Other/Development%20Of%20CreateTOns.jsp)

At its meeting of April 27, 2009, the Board approved the "Build Toronto – Transit Properties" report. This report, amongst other recommendations, declared 11 properties surplus to the TTC, and approved the transfer or turnover of these properties to the City of Toronto.

[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2009/Apr 27 2009/Supplementary Reports/BUILD TORONTO - CREATETON.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2009/Apr%2027%202009/Supplementary%20Reports/BUILD%20TORONTO%20-%20CREATETON.pdf)

At its meeting of May 25-27, 2009, City Council approved the "Principles of a Real Estate Strategy and Declaration of Surplus for Sale/Transfer or Turnover to Build Toronto" report. This report amongst other recommendations requested the TTC to concur that those properties registered in the name of TTC (having been identified and determined by TTC as no longer required for its operations), be made available to Build Toronto, in the same manner as properties registered in the name of the City, subject to approval and execution by the TTC of a transfer or turnover agreement acceptable to the TTC.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2009.EX32.5>

At its meeting of November 23, 2015, the Board moved a motion for Staff to report back in Q3 2016 with a list of all unused, vacant, and non-TTC occupied properties and lands owned by the TTC and after consulting Build Toronto and the Toronto Real Estate Services Division identify any properties which could be deemed surplus by the TTC.

https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/December_16/Minutes/Minutes_November_23%2C_2015.pdf

At its meeting of September 28, 2016, the Board approved the “Surplus Land Review” report. This report outlined those properties that are considered vacant, unused, or non-TTC occupied. The report also outlined properties which may contain air-rights redevelopment potential.

https://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2016/September_28/Reports/9_TTC_Surplus_Land_Review.pdf

Comments

The analysis of the redevelopment feasibility (estimated gross potential value of TTC property, having operations infrastructure, minus any required TTC protection costs) has been assessed for each property listed in Confidential Attachment 1. Table 1 below is a summary of the properties included in this attachment and outlines the category, number of properties, and the estimated costs required to complete a detailed assessment of the redevelopment feasibility of each property. Table 1 also includes the total possible residual redevelopment value once TTC protection measures are in place and the expected next steps for each property type.

Table 1 (2017 \$)				
Category	Number of Properties Reviewed	Estimated design costs to protect TTC operations & infrastructure	Estimated Redevelopment Value after TTC Protection (analysis by Cushman & Wakefield)	Next Steps
Properties having TTC Operations/ Infrastructure with Redevelopment Feasibility	9	\$330K	\$180M (subject to detailed structural analysis for 3 of 9)	Further action as required by CreateTO.
No Redevelopment Feasibility Given Excessive TTC Infrastructure/ Protection Costs	21	\$70M	(\$1,220M)	Negative value for each property reviewed. No further action, unless requested by CreateTO.

TTC staff have consulted with City staff regarding the possible redevelopment of the properties listed in Confidential Attachment 1. With the establishment of CreateTO, properties previously managed by the TTC, either previously held in TTC title or under TTC operational management, are to be considered a City asset. The establishment of CreateTO centralizes all real estate decision making and governance for City Divisions, Agencies and Corporations (including TTC). As such, it is expected that CreateTO will take the next steps for any redevelopment of the subject properties.

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Signature

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Attachments

Confidential Attachment 1

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