



**For Action  
with Confidential Attachment**

## **Property Acquisition for New TTC Bus Garage and Additional Operational Uses**

**Date:** June 23, 2022  
**To:** TTC Board  
**From:** Chief Capital Officer

### **Reason for Confidential Information**

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

### **Summary**

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At its meeting of December 8, 2021, the TTC Board granted approval to request City of Toronto staff to negotiate for the acquisition of an industrial property that is strategically located and highly suitable as the future site of a new TTC garage and maintenance facility (10th garage). The purpose of this report is to provide an update on the status of negotiations and to request approval to waive the conditions of the Agreement of Purchase and Sale in order to complete the purchase.

Details regarding the property, negotiations and due diligence findings are described in Confidential Attachment 1 to this report.

### **Recommendations**

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It is recommended that the TTC Board:

1. Approve the recommendations contained in Confidential Attachment 1 to this report.
2. Authorize the public release of the confidential information contained in this report following the closing of the purchase transaction and any other ancillary agreements pertaining to the acquisition of this property.
3. Forward this report, including the Confidential Attachment 1, to the CreateTO Board for their information and to the City of Toronto Corporate Real Estate Management Division for their action.

## Financial Summary

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The 2021-2035 Capital Investment Plan and the Real Estate Investment Plan identified a 10th garage and maintenance facility as being required by late 2030s and the need to accommodate the loss of existing industrial warehousing space due to the expiry of leases or displacement from the redevelopment for higher order city building uses in the near future.

Funds for this expenditure are included in the TTC's 2022-2031 Capital Budget and Plan under 3.9 Buildings and Structures – Property for the 10th Garage and Heavy Overhaul as approved by the TTC Board on December 21, 2021 and by City Council on February 17, 2022.

The financial details are included in the Confidential Attachment 1.

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

## Equity/Accessibility Matters

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Any new facility on this site will be designed and constructed with an equity and accessibility lens in accordance with the TTC's policies, the Accessibility for Ontarians with Disabilities Act 2005 (AODA) and the Ontario Building Code. It is intended that the new facility, and all interim and permanent space solutions, will provide accessible and equitable spaces where all users can feel safe and included. The appropriate stakeholders will be engaged and consulted throughout the design process for any new and interim facilities, including the Advisory Committee on Accessible Transit and TTC Diversity Department.

## Decision History

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On April 30, 2014, the TTC Board received for information a staff report titled, "Status of Planning Activities for the McNicoll Bus Garage", which informed the future uses for McNicoll Bus Garage.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2014/April-30/Reports/C4\\_Extension\\_of\\_Redlea\\_Avenue\\_TTC\\_Bus\\_Garage\\_on\\_McNicoll\\_Ave.pdf?rev=06a5b50ff51e4a4d9f3c126156c1e6e7&hash=57051189D40DD035AB36D21DC3473B9C](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2014/April-30/Reports/C4_Extension_of_Redlea_Avenue_TTC_Bus_Garage_on_McNicoll_Ave.pdf?rev=06a5b50ff51e4a4d9f3c126156c1e6e7&hash=57051189D40DD035AB36D21DC3473B9C)

At its meeting on June 22, 2015, the Board authorized pre-approval of an Offer to Lease an interim bus storage and maintenance facility at 8301 Keele Street. Given the environmental conditions of this property realized through the due diligence period, this lease was not pursued.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2015/June-22/Reports/Concord\\_Lease.pdf?rev=16e361be94164750912406b51164001f&hash=56FA6C95DDE8BD5014C2EEAAA06466B4](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2015/June-22/Reports/Concord_Lease.pdf?rev=16e361be94164750912406b51164001f&hash=56FA6C95DDE8BD5014C2EEAAA06466B4)

At its meeting on September 28, 2015, the Board approved authorization to negotiate and enter into a lease for 21 Don Roadway to accommodate the increasing warehouse space requirement for the Materials and Procurement Department. This lease expires in June 2022.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2015/September-28/Reports/Lease\\_of\\_Warehouse\\_Space\\_21\\_Don\\_Roadway.pdf?rev=b94433ff952c4e390f292eb57d28a06&hash=2C91ABF4C9C605F2E86744B9DF6BE85A](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2015/September-28/Reports/Lease_of_Warehouse_Space_21_Don_Roadway.pdf?rev=b94433ff952c4e390f292eb57d28a06&hash=2C91ABF4C9C605F2E86744B9DF6BE85A)

At its meeting on November 30, 2016, the Board approved the purchase of 1810 Markham Road to expand the Malvern Garage Facilities.

<https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2016/November-30/Reports/11PotentialPropertyAcquisitionLine2ModernizationPlan.pdf?rev=ccf4ef7446814f36b605e17034651c7f&hash=B9E02D02DF4A7F4491676238D87ADB1D>

At its meeting on April 16, 2018, the Board approved the terms of a commercial transaction as the best option to enable redevelopment of the lands at Yonge-Eglinton. This results in the need to relocate the existing TTC industrial uses from this site.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2018/April-16/1\\_Redevelopment\\_of\\_TTC\\_Lands\\_at\\_Yonge-Eglinton.pdf?rev=f586b76dcd0346818280f7aa12f2b3ea&hash=7705A03BE440B9630E0F16D00F4C9E50](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2018/April-16/1_Redevelopment_of_TTC_Lands_at_Yonge-Eglinton.pdf?rev=f586b76dcd0346818280f7aa12f2b3ea&hash=7705A03BE440B9630E0F16D00F4C9E50)

At its meeting on July 10, 2018, the Board confirmed the need for a new 350-bus garage and required staff report back to the Board on a recommended site with the estimated purchase price.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2018/July-10/Reports/4\\_New\\_TTC\\_Bus\\_Storage\\_and\\_Maintenance\\_Facility.pdf?rev=0f242427d3034f43a1d1b2c6c598102a&hash=6A170FA6D3739E483B73BE694AB3EC5B](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2018/July-10/Reports/4_New_TTC_Bus_Storage_and_Maintenance_Facility.pdf?rev=0f242427d3034f43a1d1b2c6c598102a&hash=6A170FA6D3739E483B73BE694AB3EC5B)

On June 18, 2019, City Council endorsed the Master Plan for 1627 and 1675 Danforth Avenue and requested the Board of Directors of CreateTO, TTC and City to determine the preferred location for TTC administrative functions and make any necessary changes to the Master Plan if required. This results in the relocation of TTC industrial uses from this site.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX6.9>

At its meeting on December 15, 2020, the Board approved that the City of Toronto, on behalf of the TTC enter into a short-term lease for two years with a one-year extension for 40 Carl Hall Road. The Landowner plans to redevelop the property, so further extensions may not be possible.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2020/December\\_15/Reports/4\\_40\\_Carl\\_Hall\\_Road\\_Industrial\\_Space\\_Lease.pdf?rev=712c775ead6845788aad67d8034ee481&hash=B3673FA8F15A8DD1F492641EBE933BAF](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2020/December_15/Reports/4_40_Carl_Hall_Road_Industrial_Space_Lease.pdf?rev=712c775ead6845788aad67d8034ee481&hash=B3673FA8F15A8DD1F492641EBE933BAF)

On December 8, 2021, the TTC Board authorized the City of Toronto staff to negotiate and enter into a Letter of Intent and a conditional Agreement of Purchase and sale and other ancillary agreements required for the strategic acquisition of a property for the 10th garage and other TTC uses. The Board also approved the recommendation to provide funding for the acquisition and for staff to report back on the status of the due diligence, the final acreage alignment and to waive the conditions in the Agreement of Purchase and Sale, if appropriate.

[https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2021/December-8/8\\_Property\\_Acquisition\\_for\\_New\\_TTC\\_Bus\\_Garage\\_and\\_Additional.pdf?rev=6d7496c0d4cf4dedb86d52c19ea8c030&hash=85CB90BFEEA1D9331BCD9150B6DD2B52](https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2021/December-8/8_Property_Acquisition_for_New_TTC_Bus_Garage_and_Additional.pdf?rev=6d7496c0d4cf4dedb86d52c19ea8c030&hash=85CB90BFEEA1D9331BCD9150B6DD2B52)

On December 15, 2021, City Council authorized the Deputy City Manager, Corporate Services to negotiate and execute a Letter of Intent, Agreement of Purchase and Sale and any other additional agreements required for the acquisition of a property for a new TTC bus garage and additional operational uses.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2021.CC38.19>

## **Issue Background**

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### Requirement for Garage and Maintenance Facility (10th Garage)

As described in the December 8, 2021 report to the TTC Board, the TTC has a need for a 10th garage and maintenance facility by late 2030s to be able to service and store electric buses in anticipation of the TTC's transition to a zero-emissions fleet and upon the maximized usability of the existing facilities.

### Requirement for Industrial Space and Proposed Strategy

The TTC has leased industrial space across Toronto to accommodate various operational groups not required to be located at a facility, including Wiring and Services, Structures, Substations, and Special Constables. They use the space for storage of specialized equipment and material, training and lockers, with a small office component and check-in/check-out capabilities for employees.

The TTC currently has approximately 350,000 sq. ft. of industrial space in locations where either the leases will be expiring in the near term with no ability to renew long term due to redevelopment plans (i.e. 40 Carl Hall Road and 21 Don Roadway); in small inefficient buildings (834 Caledonia Road and 120 Cartwright Avenue); or the space is within owned locations that are slated for redevelopment in the near term (i.e. Danforth Garage as part of Housing Now and Eglinton Garage at the intersection of Yonge Street and Eglinton Avenue, which is being redeveloped for additional office and residential uses by the Lessee of the TTC's land).

In anticipation of this impending industrial space shortage, and consistent with the guiding principles in the TTC's Real Estate Investment Plan, the TTC is implementing a mitigation strategy that involves:

- increasing efficiencies to maximize utilization in existing locations with long term leases in place;
- not renewing leases at smaller, less efficient buildings;
- reducing the amount of space dedicated to materials only used occasionally; and,
- proactively searching for and purchasing (in preference to leasing) a property in advance of losing TTC's short term locations mentioned above.

The City does not have any locations available in their industrial portfolio to meet the TTC's current or near future needs. The acquisition of the future 10th garage site, as being recommended in this report, will also provide the interim solution in the existing buildings on the property to meet almost all of the TTC's industrial space requirements until the start of the construction of the new garage. This will provide additional time to fully implement its space mitigation strategy and search for a permanent location required in approximately 11 years when the existing buildings on the property will be demolished and construction of the bus garage begins.

At the December 8, 2021 meeting, the TTC Board authorized City of Toronto staff to negotiate and enter into a Letter of Intent and a conditional Agreement of Purchase and Sale and other ancillary agreements required for the strategic acquisition of a property for the 10th garage and other TTC uses. The Board also approved the recommendation to provide funding for this acquisition and for staff to report back on the status of the due diligence, the final acreage alignment, and to waive the conditions in the Agreement of Purchase and Sale, if appropriate.

## **Comments**

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City of Toronto staff, in co-operation with CreateTO and TTC staff, have entered into a Letter of Intent and a conditional Agreement of Purchase and Sale for the strategic acquisition of a property for the TTC's new bus storage and maintenance facility (10th garage) and other TTC uses.

Due diligence activities have been completed and the final acreage of the TTC acquisition has been determined. Details are provided in the Confidential Attachment to this report.

Based on the results of the due diligence, TTC staff is satisfied that the subject property is appropriate to be developed as the site of the TTC's 10th garage. The property is also suitable to provide an interim solution to meet majority of the TTC's industrial space requirements until the start of construction of the new facility.

## Contact

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Pamela Kraft, Head – Property, Planning and Development  
647-880-8607  
pamela.kraft@ttc.ca

## Signature

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Gary Downie  
Chief Capital Officer

## Attachments

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Confidential Attachment 1

SP#[03078-31-547](#)