



For Action with Confidential Attachment

834 Caledonia Road – Industrial Space Lease Agreement

Date: May 18, 2022
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

The purpose of this report is to seek the Board's approval to permit occupancy for an additional five years at 834 Caledonia Road in Toronto subject to the terms and conditions outlined in this report.

Recommendations

It is recommended that the Board:

1. Authorize staff to request the City of Toronto, Corporate Real Estate Management, to negotiate and enter into a new lease agreement with 834 Caledonia Holdings Inc. on the TTC's behalf for the extended use of 834 Caledonia Road, on terms and conditions summarized in this report, in a form acceptable to the TTC's General Counsel; and
2. Approve the confidential recommendation attached in Confidential Attachment 1; and authorize its public release upon execution of the lease agreement for 834 Caledonia Road.

Implementation Points

In accordance with Corporate Policy 6.5.1 Authorization for Expenditures and Other Commitments, Paragraph 3.7.9, leasing contracts having a term over 10 years require Board approval. As of November 30, 2022, the TTC will have occupied 834 Caledonia Road for 10 years. Due to changes in the Municipal Code in 2018, the City of Toronto now enters into all lease agreements on the TTC's behalf, therefore a new lease agreement is required to be entered into by the City of Toronto on behalf of the TTC to extend occupancy for this additional five-year period.

Financial Summary

The financial details are included in Confidential Attachment 1.

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

Equity/Accessibility Matters

The TTC is committed to establishing and maintaining reliable, safe and inclusive transit services for all our employees and customers, as highlighted as a cornerstone of TTC's Corporate Plan 2018 – 2022. The leased space offers barrier-free access to the facility by means of the front entrance doors.

Decision History

On September 27, 2012, the TTC Board approved the offer to lease industrial space at 834 Caledonia Road in Toronto for a five-year term commencing December 1, 2012 and expiring November 30, 2017, with the ability to extend for an additional five years.

https://ttc-cdn.azureedge.net/-/media/Project/TTC/DevProto/Documents/Home/Public-Meetings/Board/2012/September-27/Supplementary_Reports/834_Caledonia_Road-I.pdf?rev=299a1d699610453c9e160706514cd32b&hash=49D82F73E5A898C39122E5D0848DAB67

Issue Background

The TTC will have leased the facility at 834 Caledonia Road for 10 years as of November 30, 2022. The site is located at the northeast quadrant of Keele Street and Eglinton Avenue West with access to transit and highways. The Subway Infrastructure Department's Wiring and Service section occupies the space and carries out and supports all electrical work for the TTC's transportation network, buildings and properties. The new five-year lease agreement will allow the present occupancy to continue. After the five-year term, it is expected that Subway Infrastructure's Wiring and Service section will relocate to an alternative location that consolidates other TTC uses.

The City of Toronto has confirmed that no surplus industrial space within their industrial portfolio met the necessary criteria. In addition, a relocation would likely require renovation and business interruption during relocation, making extended occupancy of this leased facility the most cost effective option for the proposed five-term (with no further renewal options).

Comments

Staff recommends the City of Toronto negotiating and entering into a new lease agreement on the TTC's behalf resulting in occupancy of 834 Caledonia Road for an additional five years on the terms and conditions summarized in the confidential attachment, as a cost effective means of providing suitable space for Subway Infrastructure – Wiring and Service.

Contact

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Signature

Gary Downie
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Attachments

Confidential Attachment 1

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