



Declaration of Surplus Property – 21 Pleasant Boulevard

Date: December 7, 2023
To: TTC Board
From: Chief Capital Officer

Summary

This report requests that the Board declare the property at 21 Pleasant Boulevard, owned by the TTC and leased to the Toronto Parking Authority (TPA), as surplus to the operational needs of the TTC. This will facilitate the redevelopment of the property for City-building purposes.

Recommendations

It is recommended that the TTC Board:

1. Declare the property at 21 Pleasant Boulevard, owned by the TTC and currently leased to Toronto Parking Authority for the purposes of operating a 5-storey public parking structure, as surplus to the operational needs of the TTC, subject to the retention of a stratified fee simple interest for the Line 1 subway infrastructure.
2. Authorize the release of the property to the City of Toronto for redevelopment by CreateTO, on the following conditions:
 - a. TTC, Toronto Parking Authority and CreateTO, or one of its corporate entities enter into a new agreement for the continued, interim use of the property for a public parking structure and that TTC continues to receive rent revenue in the amount of \$0.196 million from Toronto Parking Authority until operation of the parking structure is deemed impractical due to either the condition of the structure or the impact of redevelopment activities;
 - b. TTC is not responsible for the cost of maintenance, security or demolition of the structure or any other costs associated with the redevelopment;
 - c. The development is subject to the TTC Technical Review process and all requirements arising from this process, including but not limited to the dedication of a negative support easement, TTC capital upgrades and obligations to protect existing TTC infrastructure;

- d. TTC and CreateTO will explore the opportunity together, acting reasonably, of including the future installation of a facility to support TTC's bus electrification initiative at this location,
- e. TTC will request additional funds for TTC's Operating Budget from the City to compensate for the lost rental income from 21 Pleasant Boulevard; and
- f. All terms and conditions are satisfactory to TTC's General Counsel.

Implementation Points

In accordance with the TTC's Real Estate Investment Plan, there is an opportunity for the TTC, in partnership with the City of Toronto (the City) and CreateTO, to support City building initiatives that align with the principle of maximizing value creation opportunities for TTC surplus properties. It also conforms with the City-Wide Real Estate Strategy that ensures real estate assets are being maximized.

The operational management of the property is being transferred to the City in accordance with the real estate service delivery model and delegated authority approval process as set out in Item EX27.12, adopted by Council at its meeting of October 2, 3 and 4, 2017.

The property is to be released in accordance with TTC Procedural By-Law No. 2 and TTC Policy 8.2.0 – Disposal of Surplus Property, Acquisition of Real Property, Office and Short-Term Lease, and the City surplus property process.

Financial Summary

The property is subject to a ground lease between the TTC and TPA. The TTC currently receives approximately \$0.196 million in annual rental revenue from TPA for the lease of the land and air rights.

TPA constructed and has continued to operate a 5-storey public parking structure on this property for the past 6 decades. As a result of the significant capital repairs soon required to the structure, TPA does not intend to continue its operation at this location for the long term; however, TPA is interested in continuing to operate the parking structure until it is no longer practical. As such, TTC, TPA and CreateTO or one of its corporate entities will need to enter into a new agreement for the interim use of the property for a public parking structure. As a condition in this agreement, TTC will continue to receive rent revenue from TPA until operation of the structure is deemed impractical due to either its condition or the impact of redevelopment activities

Once TPA ceases its operation of the parking structure, the TTC will no longer receive any rental revenue. The TTC will not be responsible for maintenance or security of the structure or the costs of demolishing the structure to make way for the redevelopment, as these will be borne by others.

Moreover, the release of the property at 21 Pleasant Boulevard to the City of Toronto for redevelopment by CreateTO marks a strategic alignment with the TTC's commitment to maximizing value creation opportunities from surplus properties. This transfer is in line with the established real estate service delivery model and delegated authority approval processes previously approved by City Council.

It is important to note that the cessation of revenue stream from this property upon the conclusion of public parking operations will create a budgetary pressure within the TTC's Operating Budget of approximately \$0.196 million in annual rental revenue which will require additional funding at that time to ensure the TTC is not financially disadvantaged by this transfer.

Despite the anticipated budgetary impact, this transfer provides an opportunity for transformative urban development that aligns with both TTC's Real Estate Investment Plan and the City-Wide Real Estate Strategy, supporting City-building initiatives and long-term urban planning goals.

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

Equity/Accessibility Matters

A cornerstone of the TTC's current Corporate Plan is accessibility and as a proud leader in providing accessible public transit in the city of Toronto, we are committed to ensuring reliable, safe and inclusive transit services for all our customers.

Declaring this property surplus will not have an impact on the accessibility of transit facilities. Redevelopment of 21 Pleasant Boulevard will be completed with due consideration to accessibility, equity, diversity and inclusion in its design and implementation.

Decision History

The real estate service delivery model and delegated authority approval process as set out in Item EX27.12, adopted by Council at its meeting of October 2, 3 and 4, 2017, including any amendments as approved by Council from time to time.

[Agenda Item History - 2017.EX27.12 \(toronto.ca\)](#)

Issue Background

The 21 Pleasant Boulevard property is owned by TTC and is located along Line 1, one block south of St.Clair Station. The Line 1 subway is located directly below this site. The property is shown on Appendix 1.

TTC staff were recently contacted by CreateTO to discuss the opportunity for a City-building redevelopment project at 21 Pleasant Boulevard which is currently occupied with a TPA (Green P) public parking structure. As noted previously, TPA had advised TTC that the long term operation of the parking structure would require costly capital

investment and as a result, there was uncertainty regarding TPA's future plans at this location. Secondly, CreateTO has reviewed this location and recognizes a substantial redevelopment opportunity for residential purposes.

The redevelopment of 21 Pleasant Boulevard was identified in TTC's Real Estate Investment Plan 2022 – 2036 as an opportunity to maximize value creation for TTC surplus properties in partnership with the City.

The property at 21 Pleasant Boulevard is not required for the operation of transit service at grade at this present time; however, given its central location, it may be suitable for a future electric vehicle charging facility. On this basis and considering that the Line 1 subway runs below-grade, TTC staff support declaring the property surplus, subject to the retention of a stratified fee simple interest for the operation of the subway and provided that TTC and CreateTO explore the opportunity together, acting reasonably, of including the future installation of any facility or other technology required to support TTC's bus electrification initiative at this location. This will enable operational management to be transferred to the City of Toronto and also enable the redevelopment of the property by CreateTO.

The proposed redevelopment plans will be required to be reviewed by TTC as part of the Technical Review (TR) process, to ensure that there is no negative impact to the TTC infrastructure below and that TTC's interests are protected during and after construction. As such, the development is subject to all requirements arising from this TR process, including but not limited to the dedication of a negative support easement, the provision of all applicable TTC capital upgrades, the protection for future bus electrification requirements, as noted previously and other obligations to protect TTC infrastructure.

The City Councillor is aware of the development potential of this site and has had the opportunity to review development concepts.

Comments

Staff recommend that the 21 Pleasant Boulevard property be declared surplus to the operational needs of the TTC, subject to the retention of a stratified fee interest for the Line 1 subway infrastructure and other conditions outlined in this report, as it is not required for the operation of transit service at grade and it will support a City-building initiative.

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Signature

Gary Downie
Chief Capital Officer

Attachments

Appendix 1 – 21 Pleasant Boulevard – Location Map

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Appendix 1 – 21 Pleasant Boulevard – Location Map

