



**STAFF REPORT  
ACTION REQUIRED  
with Confidential Attachment**

**Lease for Interim Bus Storage and Maintenance Facility**

<b>Date:</b>	November 9, 2015
<b>To:</b>	TTC Budget Committee
<b>From:</b>	Chief Executive Officer
<b>Reason for Confidential Information:</b>	This report is about a proposed or pending acquisition or disposition of land for municipal or local board purposes.

**Summary**

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The purpose of this report is to seek the Board’s approval on the strategy to acquire an interim bus storage and maintenance facility as outlined in the Confidential Attachment.

On February 2, 2015, as part of the Board recommended 2015 Operating and Capital budget process, City Council approved the purchase of 50 additional buses to enable peak service improvements in the system as well as the lease of a temporary facility to accommodate the additional buses. On February 25, 2015 the TTC Board approved entering into an agreement with Nova Bus for the purchase of these buses for delivery in 2015 and 2016.

The 2016 – 2025 Bus Fleet and Facility Plan identifies a current 2015 shortfall of garage capacity to store and maintain the bus fleet of approximately 200 buses, almost the equivalent of an entire bus garage. Without addressing this shortfall it will continue to grow to 450 buses in 2018.

An extensive search for an interim bus facility was conducted by TTC staff to meet these specific requirements. Several sites are suitable for these purposes and provided that this strategy is approved, the recommended site is expected to be available to meet the timelines required for bringing the facility into operation in early 2017. This facility will permit the maintenance and storage of 250 additional buses. Securing this facility will enable the TTC to improve express bus service, reduces peak crowding levels and help to prevent further overcrowding at existing garages.

## **Recommendations**

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### **It is recommended that the Committee:**

1. Adopt the confidential recommendations contained in the confidential attachment to this report; and
2. Authorize the public release of the confidential information contained in this report once a lease has been executed.

### **Implementation Points**

In accordance with Corporate Policy 6.5.0 Authorization for Expenditures and Other Commitments, paragraph 3.7.9, leasing contracts having a term over ten years or lease payments of over \$200,000 per year require Board approval.

### **Financial Summary**

The 2015 TTC Operating Budget provision of \$1 million is sufficient to cover the expenses forecast in 2015.

The full cost of the lease has not yet been finalized. When negotiations are complete the Offer to Lease will be brought to the TTC Budget Committee and Board identifying the annual budget on a going-forward basis.

The Chief Financial & Administration Officer has reviewed this report and agrees with the financial impact information.

### **Accessibility/Equity Matters**

Accessibility is a legislative requirement for transit vehicles and is included in the bus procurement specification. TTC's bus fleet is compliant with accessibility requirements.

Barrier free access to the office and garage at the interim facility will be provided from the street to staff washrooms, lockers, and amenities and offices by means of doors located on the ground floor of the building.

### **Decision History**

At the Board Meeting of August 19, 2014, TTC staff submitted recommendations to improve transit service in Toronto. The recommendations in this report were endorsed by the Board. Refer to the following link:

[http://www.ttc.ca/About\\_the\\_TTC/Commission\\_reports\\_and\\_information/Commission\\_meetings/2014/August\\_19/Supplementary\\_Reports/Opportunities\\_to\\_Improve\\_Transit\\_Service\\_in\\_Toronto.pdf](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2014/August_19/Supplementary_Reports/Opportunities_to_Improve_Transit_Service_in_Toronto.pdf)

On February 2, 2015, as part of the 2015 Capital and Operating budget deliberations, the Board approved \$95 million in transit service enhancements beginning in 2015, and City Council approved on March 10, 2015. Refer to the following link:

[http://www.ttc.ca/About\\_the\\_TTC/Commission\\_reports\\_and\\_information/Commission\\_meetings/2015/February\\_2/Reports/2015\\_TTC\\_AND\\_WHEEL\\_TRANS\\_OPERATING\\_BUDGETS.pdf](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/February_2/Reports/2015_TTC_AND_WHEEL_TRANS_OPERATING_BUDGETS.pdf)

Subsequently, at the February 25, 2015 Board Meeting, the Board approved the amendment to contract C32PM13774 (Supply of 55 Forty Foot Low Floor Clean Diesel City Buses) with Nova Bus to include the purchase of an additional 50 buses to improve bus express routes as identified in the August 19, 2014 Board Report. Refer to the following link:

[http://www.ttc.ca/About\\_the\\_TTC/Commission\\_reports\\_and\\_information/Commission\\_meetings/2015/February\\_25/Supplementary\\_Reports/Procurement\\_Authorization\\_Amendment\\_Purchase\\_50\\_Buses.pdf](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/February_25/Supplementary_Reports/Procurement_Authorization_Amendment_Purchase_50_Buses.pdf)

At the June 22, 2015 Board Meeting, the Board pre-approval of an Offer to Lease an interim bus storage and maintenance facility (Concord Bus Garage) at 8301 Keele Street, Vaughan and delegation of authority to enter into a lease subject to the terms and conditions outlined in the Confidential Attachment. Refer to the following link:

[http://www.ttc.ca/About\\_the\\_TTC/Commission\\_reports\\_and\\_information/Commission\\_meetings/2015/June\\_22/Reports/Concord\\_Lease.pdf](http://www.ttc.ca/About_the_TTC/Commission_reports_and_information/Commission_meetings/2015/June_22/Reports/Concord_Lease.pdf)

## **Issue Background**

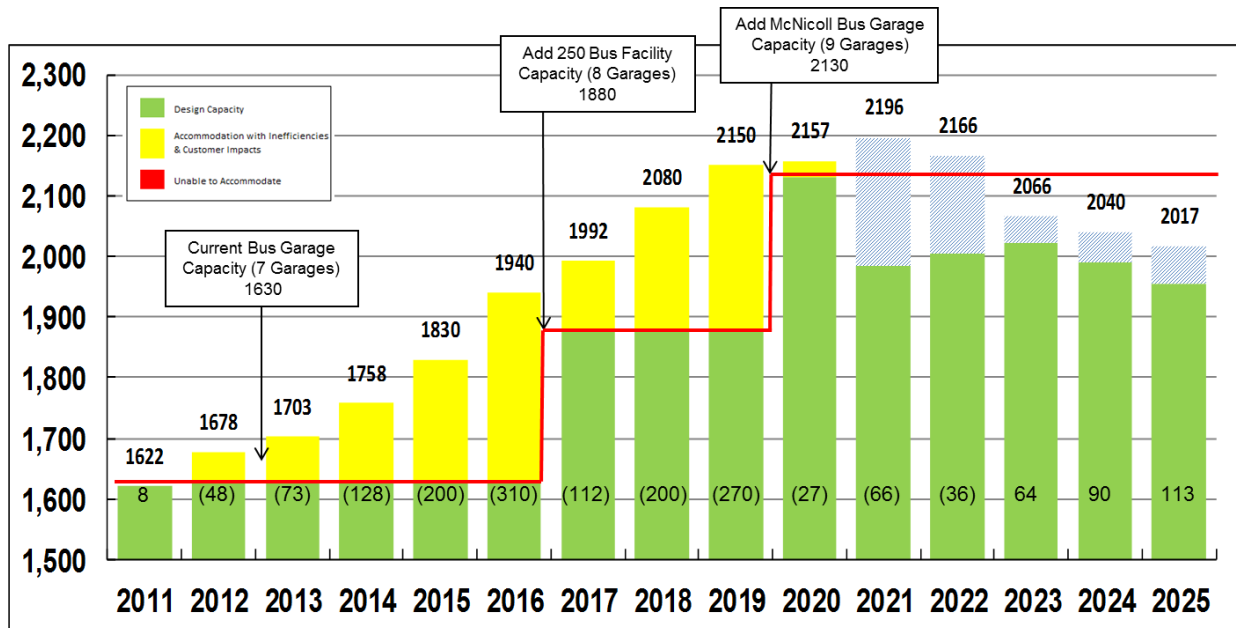
### Current Operating Conditions

The Toronto Transit Commission operates bus service out of seven garages located across the city of Toronto. Each garage, with the exception of one smaller garage, is designed to store and maintain a total of 250 40-foot buses. The combined total capacity of the seven garages is 1,630 vehicles.

In future years, bus ridership levels are expected to increase due to normal ridership growth of about 1.5% per year, and as a result of service improvements made possible through additional operating funding support granted by City Council as announced in March 2015. These improvements, which started on September 6, 2015, include a restoration of 10-minute or better service on a number of major routes and increases in off-peak and overnight service levels.

To help meet the growing travel demand by bus, TTC will purchase 120 buses that will be delivered by 2018. However, the new buses cannot be stored and maintained at existing bus garages because the garages are currently operating at or over capacity. This capacity constraint created a maintenance backlog which affects the quality of preventative maintenance and ultimately impacts customer service.

Currently, the shortfall in garage capacity is approximately 200 buses. Without a new facility this shortfall will continue to grow to almost 450 buses by 2018, as seen in Figure 1, Bus Facility Plan below. This shortfall has significant impact on the service delivery. Even with the current shortfall, buses are parked within the circulation lanes in the garages and other spaces within the garages. Buses are being parked outside garages which will eventually impact traffic flow and impede fire routes around the garages. In addition to the safety implications, this situation results in a slower service run out each day. Buses stored outdoors in the winter also result in harder to start vehicles and increased vehicle late outs. The shortfall also has a greater impact on the staff's ability to inspect and repair vehicles. Currently there is a shortfall of approximately 17 bus hoists and this will grow to 37 by 2018. This will lead to a longer mean time to repair buses resulting in a backlog of vehicles requiring maintenance or inspection. Ultimately, this will reduce the buses available for revenue service.



**Figure 1: Bus Facility Plan**

## Current Bus Storage and Maintenance Sites and Expansion Potential

Currently bus storage and maintenance is accommodated at seven garages throughout the City. All garages, except one, have a 250 bus garage design capacity, while Queensway Garage has a design capacity of 150 buses.

A review of the existing sites to determine their capacity for expansion has determined several constraints. The two primary constraints are the following:

1. The existing properties are not large enough to construct additional storage or maintenance facilities without significant acquisition of surrounding property; and
2. The optimal storage capacity for a garage is approximately 250 buses due to the runout of buses during the morning for peak service.

There was an engineering review to determine if the garages could be expanded vertically by adding a second storey for storage, similar to car parking structures. As the turning radius of buses is significantly larger than that of a car and lengthy ramps would be required also, the result would be that a major portion of the floor space would be utilised for the vertical circulation.

Even if any of these options could be undertaken, the construction impact on the existing operations would reduce the existing garage storage and maintenance capacity during the construction period, defeating the stated objectives of meeting the immediate and short term bus capacity deficiencies.

## Interim Bus Storage and Maintenance Sites

In 2014, TTC's Property, Planning and Development Department was requested by the Bus Maintenance & Shops Department to identify buildings and properties that could be converted to an interim bus maintenance and storage facility to help mitigate the current pressure until the completion of the McNicoll Garage in early 2020.

## Concord Bus Storage and Maintenance Facility - 8301 Keele Street

Subsequent to the Board's pre-approval, TTC staff continued to negotiate an offer to lease with the owner of 8301 Keele Street. Unfortunately, a satisfactory agreement could not be reached with the landlord to finalise the offer to lease. As noted in the June report, staff continued to investigate additional sites for lease to accommodate the increasing bus fleet growth and over capacity and are now reporting back to the Budget Committee.

## Interim Bus Storage and Maintenance Facility (Interim Facility) – Requirements

To minimize the cost of an Interim Facility, the facility requirements will be significantly reduced from a standard garage, by eliminating all but critical equipment and infrastructure. The following are examples of some of the significant items that will be excluded from this facility:

1. No inground bus hoists or pits, all lifting of buses will be done by mobile hoists,
2. No fueling of buses inside the facility, this will be done externally to the building, and
3. No paint or body repair booths at the facility.

This facility will be a “Garage Lite”, resulting in reduced productivity and requiring some functions and work to be transferred to other garages or shops.

### Potential Sites Available

A review of existing City and Agency infrastructure was undertaken, however no property/buildings were found to be suitable. TTC staff, through a real estate brokerage firm, also conducted a thorough search of all potential sites available within, or near to the City of Toronto. Due to the need for an appropriately zoned site, the size of the property required and the size of the building needed, available options were very limited. Further limiting options, is the requirement to have convenient traffic access to ensure timely run out of service in the morning and afternoon peak periods.

### **Comments**

Any Offer to Lease will be conditional on TTC Budget Committee and Board approval.

### **Contact**

James Fraser  
Head – Capital Programming  
Tel: 416-981-1077  
Email: James.Fraser@ttc.ca

Richard Wong  
Head – Bus Maintenance & Shops  
Tel: 416-393-3564  
Email: Rich.Wong@ttc.ca

03074-224-11

### **Attachments**

Confidential Attachment 1