



STAFF REPORT ACTION REQUIRED

GACCTO Lease Extension

Date:	January 18, 2017
To:	Toronto Coach Terminal Inc. – Board of Directors
From:	Chief Executive Officer

Summary

In 2012, the Board of Directors of the Toronto Coach Terminal Inc. (TCTI) approved a lease agreement between TCTI as owner and Greyhound and Coach Canada Toronto Operations Limited (GACCTO) as tenant for the use of the 610 Bay Street and 130 Elizabeth Street properties. TCTI is wholly owned by TTC.

The first extension of the lease between TCTI and GACCTO has been exercised in accordance with the terms of the agreement.

Recommendations

It is recommended that the Board:

1. Receive the information contained in this report.

Financial Summary

In accordance with the lease agreement, GACCTO pays the utilities, property taxes and other operating expenses and the net rent to TCTI increases based on the Toronto Consumer Price Index (CPI). After the July 2017 index has been published by Statistics Canada, the lease payment calculation will be adjusted in accordance with the specified method outlined in the lease agreement. Consequently, the net rent to TCTI from GACCTO will be increased for the next two years.

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

Accessibility/Equity Matters

There are no Accessibility or Equity matter impacts.

Decision History

At the May 30, 2012 meeting of the TCTI Board of Directors, the Board approved the report.

http://www.ttc.ca/About_the_TTC/Subsidiaries/Toronto_Coach_Terminal_Inc/2012/May_30_2012/Meeting_of_Directors_May_30_2012/Reports/Toronto_Coach_Termin.pdf

Issue Background

In 2012, the Board of Directors of TCTI approved a lease agreement between TCTI as owner and GACCTO as tenant for the use of the 610 Bay Street and 130 Elizabeth Street properties. TCTI is wholly owned by TTC.

Comments

The agreement with GACCTO for the use of the intercity bus terminal premises provided the tenant with a right for two (2) separate two (2) year term extensions. The first of these extensions has been exercised in advance of the end of the initial five year term and the mechanism for escalation of rent was defined in the original agreement, and the final value will be based on the CPI in July 2017.

The Extension clause of the Lease in Section 2(c), which does not create a binding obligation for further extensions beyond 2021, does provide for discussion of further extensions starting in 2019:

Greyhound, Trentway-Wagar and Metrolinx have been negotiating with regard to the relocation of the private carriers to a new Metrolinx interregional bus terminal to be constructed near Union Station.

“If at the commencement of the first year of the second Extension Term it appears as if no such alternative premises will be available at the end of the second Extension Term, the parties will begin discussions on such further extensions of this Lease at such time.”

In summary, the first extension of the lease between TCTI and GACCTO has been exercised in accordance with the agreement.

Contact

Pamela Kraft

Head – Property, Planning and Development Department

Tel: 416-590-6108

Email: Pamela.Kraft@ttc.ca

#03078-31-267