

# TORONTO TRANSIT COMMISSION REPORT NO.

**MEETING DATE:** October 19, 2011

**SUBJECT:** DECLARE SURPLUS - YORK MILLS (4050 YONGE)

## **ACTION ITEM**

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### **RECOMMENDATION**

It is recommended that the Commission:

1. Approve the method of disposal of 4050 Yonge Street, namely the transfer of the property with the exception of the areas, as shown on the plan attached as Appendix 1 to this report as an easement and as containing the existing stair and pedestrian tunnel running east to York Mills Station which property interests will be retained on title by the Toronto Transit Commission ("TTC") in fee simple and easement, to Build Toronto ("BT") for nominal consideration in accordance with the TTC's by-law #2 and the City of Toronto's ("City") policy Principles of Real Estate Strategy and Declaration of Surplus for Sale/Transfer or Turnover to Build Toronto;
2. Approve the transfer and assignment of the TTC's interests in the lease between Metropolitan Toronto, Cadillac Fairview Corporation Limited and London Life Insurance Company dated October 31, 1984 for the lease of the land for a pedestrian connection between the Yonge Corporate Centre and TTC's York Mills Station (the "Lease") to BT for nominal consideration as part of the transfer of 4050 Yonge Street;
3. Approve the transfer and assignment of the pedestrian connection agreement between the Cadillac Fairview Corporation Limited and the TTC entered into in February 1985, with respect to the construction and maintenance of the pedestrian connection which is the subject of the above noted Lease, to BT as part of the transfer of 4050 Yonge Street; and
4. Authorize staff to execute the agreements necessary to convey the above noted property interests and effect the assignment and transfer of the above noted interests, in a form satisfactory to the TTC's General Counsel.

**FUNDING**

There are immediate capital ownership and operating budget implications arising out of this report, noting that TTC will not be compensated for this property on closure and transfer of the commuter parking lot to BT. In accordance with Public Sector Accounting Standards, the TTC will record the \$7.2 million book value of the property as a loss on disposal when the York Mills property is transferred to Build Toronto. The anticipated lost operating revenue is estimated in the order of \$495,000 annually based on 2011 budget figures.

**BACKGROUND**

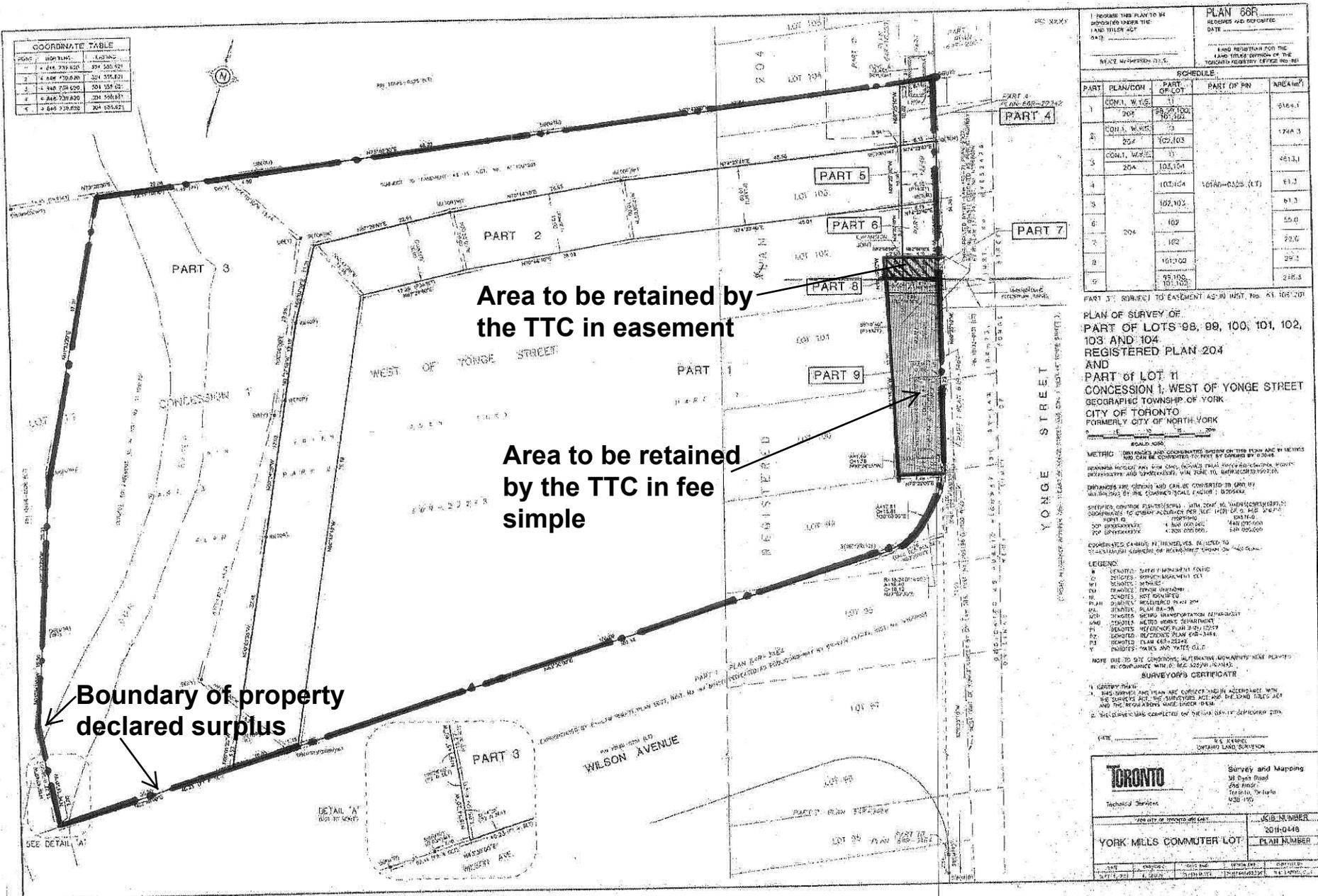
At its meeting of May 25, 26 and 27, 2009, Toronto City Council declared 4050 Yonge Street surplus, subject to the retention of those areas and interests needed to satisfy TTC's requirements, with the intended method of disposal to be by way of a transfer of the lands to Build Toronto Inc. on an "as is" basis, for nominal consideration with BT assuming the costs, including land transfer tax and registration costs, of the transfer. City Council requested the TTC concur that property, which is registered in the name of the TTC, be made available to BT in the same manner as properties registered in the name of the City, subject to the approval and execution by the TTC of a sale or turnover agreement acceptable to the TTC. The TTC declared 4050 Yonge Street conditionally surplus at its meeting of April 27, 2009, subject to the negotiation of a transfer agreement to the satisfaction of the TTC's General Counsel to ensure the retention of those areas and interests required to satisfy the TTC's ongoing operational, financial and legal interests and subject to the preparation of documents and approvals required by TTC by-law #2. Subsequently, at its meeting of August 25, 26 and 27, 2010, City Council granted City staff the authority to enter into an agreement to transfer 4050 Yonge Street from the City's Chief Corporate Officer to BT and amended the terms and conditions of the transfer.

On October 31, 1984, Metropolitan Toronto, Cadillac Fairview Corporation Limited and London Life Insurance Company entered into an agreement (the "Lease") for the lease of land for an underground pedestrian tunnel to connect the Yonge Corporate Centre with the TTC's York Mills station. The TTC has an interest in the Lease and derives a small amount of revenue from it (approximately \$275 per annum). In February of 1985, the TTC and Cadillac Fairview Corporation Limited entered into an agreement for the construction and maintenance of the pedestrian tunnel (the "North Tunnel") which is the subject of the Lease.

The York Mills commuter parking lot has been in existence since the opening of the North Yonge subway extension in 1974. The lot will continue to provide parking for local residents until BT is ready to develop the site.

BT has committed to providing TTC with minimum three (3) months notice of possession.

# APPENDIX 1



**DISCUSSION**

Covering approximately 3.2 acres, the lands at 4050 Yonge Street are currently used for a 260 space commuter parking lot and to house a stair and tunnels connecting the north-west corner of Wilson Avenue and Yonge Street to York Mills Station to the east; and to the Yonge Corporate Centre to the north. This report declares surplus only the commuter parking lot and North Tunnel lands. The lands containing the existing stair and an easement for maintenance of the stair and related tunnel, as shown on the plan attached as Appendix 1 to this report, will be retained on title by the TTC until such time as a development incorporating an entrance connection to York Mills station and a subway ventilation shaft at this location is constructed, at which time the remaining interests, as applicable, will be transferred through the City's planning approval process, to the owner of the development in exchange for the entrance connection and subway ventilation shaft. At the time that the lands containing the North Tunnel are transferred to BT, the TTC proposes to also transfer and assign its interests in the Lease and the North Tunnel agreement to BT; and until such time as an entrance connection to replace the existing stair entrance to York Mills station is constructed, to retain an easement within the North Tunnel and commuter parking lot lands to allow TTC to continue to repair and maintain the existing stair and tunnel running east to York Mills station.

**JUSTIFICATION**

Declaring 4050 Yonge Street surplus in accordance with TTC's bylaw #2 completes the approval process begun with the report to the Commission in 2009 and the directive of Toronto City Council with respect to the disposition of the lands while protecting for TTC's ongoing operational and legal interests until such time as a new development is constructed on the lands.

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October 19, 2011

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Attachment: Appendix 1