

TORONTO TRANSIT COMMISSION REPORT NO.

MEETING DATE: September 30, 2010

SUBJECT: MCCAUL LOOP LEASE RENEWAL

ACTION ITEM:

REASON FOR CONFIDENTIAL INFORMATION:

This report is about a proposed or pending land acquisition by the Commission.

RECOMMENDATION

It is recommended that the Commission:

1. Approve the recommendations, as set out in the Confidential Attachment;
2. Treat the recommendation as confidential until the expiry of the term; and
3. Authorize staff to execute the necessary lease amending agreement to the satisfaction of TTC's General Counsel.

FUNDING

The impact of this lease renewal will be included in future TTC operating budgets.

BACKGROUND

TTC is the owner of a property at 49 McCaul Street which is the location of the TTC McCaul streetcar loop. The site abuts the Village by the Grange and is across the street from OCAD University.

Pursuant to a long term ground lease commencing December 1, 1969, Windlass Holding Limited, leased the property from TTC for an initial 40 year term with two renewal options for additional terms of 26 and 33 years each. The tenant's successor has served notice of the exercise of the first renewal option.

The original developer, Windlass Holding Limited, eventually assigned the lease a new entity composed of their three subtenants of the property. The above grade residential portion includes rental apartments forming part of the Village by the Grange, the at grade portion (including the streetcar loop) which is now shared with OCAD University and the below grade portion containing land-locked underground parking connected to a larger facility operated by Jagramstef Canada Limited.

DISCUSSION

Negotiations on a new rent commenced more than a year ago and the four parties have now reached an agreement on the amount of new rent subject to the approval of the Commission.

JUSTIFICATION

The recommended rent schedule is considered to be fair and reasonable, brings the ground rent up to current market rates and provides for escalation in rent to TTC over the term of the agreement.

September 7, 2010
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