

## **Acquisition of 1810 Markham Road**

**Date:** April 13, 2017  
**To:** Government Management Committee  
**From:** Chief Corporate Officer  
**Wards:** Ward 41 Scarborough - Rouge River

### **REASON FOR CONFIDENTIAL INFORMATION**

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This report is about a proposed or pending land acquisition by the City or one of its agencies or corporations.

### **SUMMARY**

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The purpose of this report is to seek authority to acquire the property at 1810 Markham Road from 1240060 Ontario Limited, for the expansion of the Toronto Transit Commission ("TTC") Malvern Maintenance & Storage Facility.

### **RECOMMENDATIONS**

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#### **The Chief Corporate Officer recommends that:**

1. City Council authorize the City to enter into an agreement of purchase and sale with 1240060 Ontario Limited (the "Owner") to acquire 1810 Markham Road (the "Property"), substantially on the terms outlined in Appendix "B" and Confidential Attachment 1, and such other and amended terms as may be acceptable to the Chief Corporate Officer, or her designate.
2. City Council authorize severally each of the Chief Corporate Officer and the Director of Real Estate Services to execute the agreement on behalf of the City.
3. City Council authorize the City Solicitor to complete the transaction on behalf of the City, including paying any necessary expenses, amending the closing, due diligence and other dates and amending and waiving terms and conditions, on such terms as she considers reasonable.
4. City Council authorize the public release of the confidential information in Confidential Attachment 1 following the closing of any purchase transaction.

## **FINANCIAL IMPACT**

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Funding for the Property acquisition and associated expenses as detailed in Confidential Attachment 1 is available in the 2017-2026 Council Approved Capital Budget and Plan for the Toronto Transit Commission (TTC). Funding for the construction and operation of the facility is not included in either the Council Approved 2017-2026 Capital Budget and Plan or the 2017 Operating Budget for the TTC and will need to be referred to the 2018 Budget process for consideration.

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

## **COMMENTS**

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The TTC operates seven bus storage and maintenance garages located across the City of Toronto. The combined capacity of the seven garages is 1,630 buses. Service growth and improvements over the years have resulted in the fleet growing to 1,849 buses. This fleet growth has resulted in the existing seven garages operating at 310 buses over the maximum capacity. The resultant congestion imposes operational constraints as well as concerns over the safe movement of buses at each facility. TTC is in the design and construction phases of building an eighth city bus garage, McNicoll Bus Garage. McNicoll Garage is scheduled to open in year 2020. Until such time, TTC will continue to operate overcapacity which will limit further bus service improvements and affect existing operations. The TTC has therefore been investigating the potential to lease an interim bus maintenance facility to ease the overcapacity issues until McNicoll Bus Garage is built and commissioned.

In 2014, TTC's Property, Planning and Development Department was requested by the Bus Maintenance & Shops Department to identify buildings and properties for sale or lease that could be adapted for use as an interim bus storage and maintenance facility to meet capacity shortfalls.

In September of 2016, the Property was offered for sale and was brought to TTC's attention in the course of the search for an interim facility.

In November of 2016, the TTC Board approved the acquisition of 1810 Markham Road by the City for the use of a TTC bus storage and maintenance facility.

The acquisition of the Property offers TTC a ready to use facility for limited vehicle maintenance and storage in association with and in proximity to an existing TTC bus garage. The Property abuts TTC's Malvern Garage and would be a natural extension of that existing garage. The Property is currently used for heavy truck repair and maintenance. The building offers 16,073 square feet of service area with a clear height from floor to underside of structure of 18 feet in the maintenance bays (sufficient to accommodate a bus and hoist), four (4) 40 foot drive-through bays and two (2) 60 foot drive-through bays, parts delivery bay and materials storage rooms for stocking. This will resolve Malvern Garage's current lack of maintenance bays to service buses, which will increase overall service levels for TTC.

The Property can be merged with the existing TTC Malvern Garage and can be used immediately, with minor repair and clean up by TTC. Due to the proximity to Malvern Garage, this property is considered a premium location and would provide savings for the TTC. In addition, acquisition of this Property and assembly with Malvern Garage will permit TTC to make existing operations at Malvern Garage safer and more efficient in the short term as well as providing opportunities in the future to reconfigure or expand the garage or consider co-location of other functions.

Based on the adjacency of the Property, the current real estate market and TTC's need for extra bus storage, staff recommend the purchase of the Property, on the terms outlined in Appendix "B" and Confidential Attachment 1, subject to an environmental assessment and building condition assessment.

## **CONTACT**

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## **SIGNATURE**

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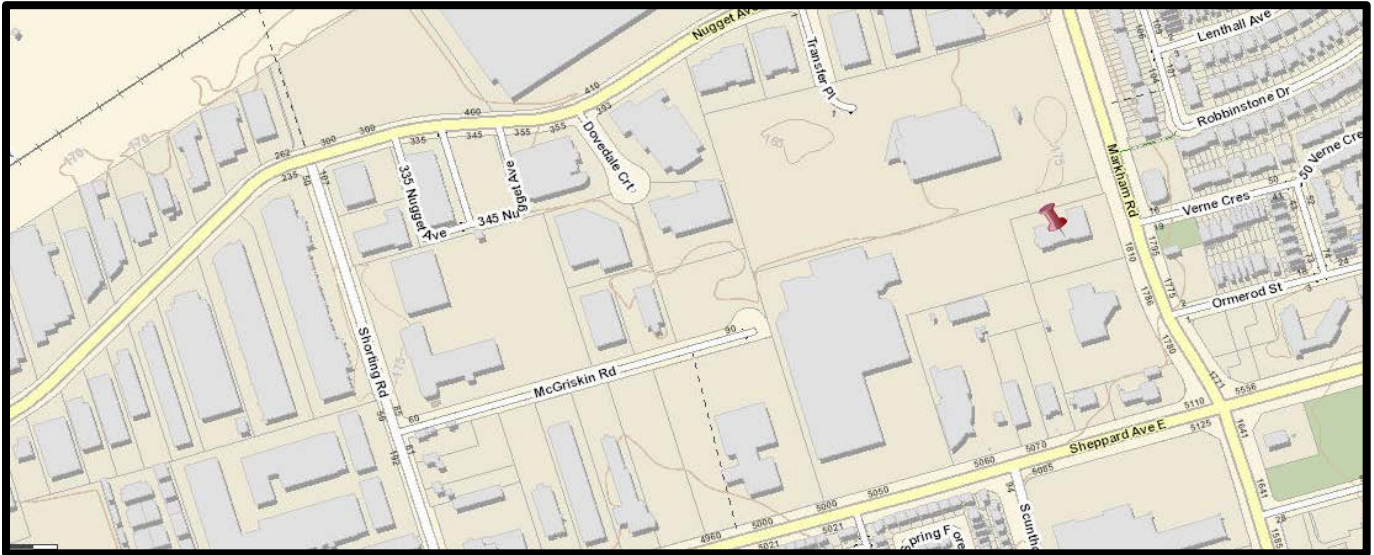
Josie Scioli  
Chief Corporate Officer

## **ATTACHMENTS**

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Appendix "A" - Site Map  
Appendix "B" - Major Terms and Conditions  
Confidential Attachment 1

Appendix "A"  
Site Map



Appendix "B"  
Major Terms and Conditions

Owner: 1240060 Ontario Limited

Property: 1810 Markham Road, Scarborough, Ontario M1B 2W2

Legal Description: Part of Lot 19, Concession 3, Scarborough, as in Instrument No. SC620125, Toronto, City of Toronto, all as in PIN: 06077-0042 (LT) in the Land Registry Office of Toronto (No. 66) in Land Titles Division.

Purchase Price: See Confidential Attachment 1

Deposit: See Confidential Attachment 1

Due Diligence Condition: The City has been undertaking due diligence in the form of environmental assessments and a building condition assessment under a Licence for Permission to Enter and will continue these assessments within the Irrevocable Period. The City have until April 20, 2017 to satisfy itself as to the environmental condition of the Property.

Minor Variance Condition: TTC have submitted a minor variance application to allow for bus maintenance and storage at the Property. The City have until May 19, 2017 to satisfy itself as to the minor variance application.

Irrevocable Period: Shall be the period of time commencing on execution of the Offer to Sell by the Owner and ending at 11:59 pm on May 31, 2017.

Requisition Period: Shall be the period of time ending at 11:59 pm on the 30th day after the Acceptance Date.

Closing Date: Shall be August 31, 2017 or such earlier date agreed between the parties in writing.