



STAFF REPORT ACTION REQUIRED

Six Points Interchange – Toronto Hydro Infrastructure

Date:	August 22, 2016
To:	Government Management Committee
From:	Chief Corporate Officer Acting General Manager, Transportation Services
Wards:	Wards 3, 4 and 5
Reference Number:	P:\2016\Internal Services\RE\ Gm16038re – (AFS # 23647)

SUMMARY

This report seeks authority to facilitate the installation of the expanded hydro infrastructure required to service the future redevelopment of the City lands adjoining the Six Points Interchange.

RECOMMENDATIONS

The Chief Corporate Officer and the Acting General Manager, Transportation Services recommend that:

1. City Council authorize, contingent on City Council approval of the Q2 Capital Variance Report, the City to enter into such agreements as may be required with Build Toronto and/or Toronto Hydro to facilitate the installation of expanded hydro infrastructure to service the future redevelopment of the City lands adjoining the Six Points Interchange, such agreements to include the payment of a deposit to Toronto Hydro in the amount of \$4.6 million from project account CTP811-35 and an obligation on the part of Build Toronto to reimburse the City in full for such deposit, together with such other terms and conditions as may be approved by the Chief Corporate Officer, and in a form satisfactory to the City Solicitor.
2. City Council authorize the City to transfer such easements as may be reasonably requested by Toronto Hydro for the purpose of the infrastructure referenced above where required for the purposes of servicing lands currently owned by the City on terms and conditions approved by the Chief Corporate Officer, and in a form satisfactory to the City Solicitor.

3. City Council authorize severally each of the Chief Corporate Officer and the Director of Real Estate Services to execute the transaction documents and agreements referred to in Recommendations 1 and 2 above on behalf of the City.
4. City Council authorize the Chief Corporate Officer and the Director of Real Estate Services to determine the terms upon which the deposit identified in Recommendation 1 will be fully reimbursed to the City by Build Toronto.

Financial Impact

Prior to authorizing the installation of expanded hydro infrastructure, a deposit of \$4.6 million is required to be paid to Toronto Hydro to secure the owner's commitment to make use of the expanded hydro infrastructure in the future. Toronto Hydro has presented an "Offer to Connect" (OTC) agreement to Build Toronto and the City in relation to such infrastructure. Funding availability for the OTC currently within Transportation Services' Capital Budget is \$1.8 million. Upon Council approval of the Q2 Capital Variance Report, Facilities, Real Estate, Environment & Energy (FREEE) will transfer the remaining \$2.8 million to Transportation Services project account CTP811-35 from available funding in project account CCA194-01 earmarked for the Westwood Site Redevelopment (adjacent to the Six Points Interchange site) funded through LARF (XR1012).

Funding the deposit(s) for agreements as may be required with Build Toronto and Toronto Hydro to facilitate the installation of the expanded hydro infrastructure will not exceed \$4.6 million. Build Toronto will be required to reimburse the City the full amount of the deposit upon the future sale of lands adjoining the Six Points Interchange and/or return of deposits in accordance with the Electricity Load Information Schedule as prepared by Toronto Hydro. Although the funds will flow through Build Toronto, the City is responsible for funding the expanded Hydro infrastructure. The total reimbursement from Build Toronto will be allocated to the Six Points Interchange capital project account.

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

DECISION HISTORY

At its meeting of December 11, 12, and 13, 2007, City Council adopted PW10.2the Six Points Interchange Reconfiguration Class Environmental Assessment Study, and requested a funding and staging strategy for implementing the reconfiguration, to include detailed design after completion and approval of the Environmental Study Report which was completed in accordance with the requirements of the Province of Ontario's Environmental Assessment Act. The Council decision can be found at pages 104 and 105 of: <http://www.toronto.ca/legdocs/mmis/2007/cc/decisions/2007-12-11-cc15-dd.pdf>

At its meeting of January 29 and 30, 2014, City Council adopted the 2014 Capital Budget and 2015 – 2023 Capital Plan, including multi-year cash flows for the Six Points Interchange Reconfiguration project. The Council decision can be found at: <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX37.1>

At its meeting of February 3, 2016, City Council adopted the Undertaking Construction of Utility Infrastructure to Support the Six Points Interchange Reconfiguration. The Council decision can be found at:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.PW10.2>

ISSUE BACKGROUND

The current Six Points Interchange road network is viewed as a significant barrier to development and to the realization of the urban design vision for Etobicoke Centre. A plan to reconfigure the road network has been established and funding was approved in the 2016 – 2025 Capital Budget for Transportation Services, with a total project cost of \$77.297 million.

As noted in the February 3, 2015, report adopted by Council (PW10.2 "Undertaking Construction of Utility Infrastructure to Support the Six Points Interchange Reconfiguration"), the Six Points Interchange Reconfiguration project ("Project") requires the relocation of existing utilities, including Toronto Hydro services, into the Project's proposed Right-of-Way, as well as the addition of expanded hydro services to accommodate the proposed future redevelopment of the adjoining vacant lands.

COMMENTS

Toronto Hydro has recently identified the need for an "Offer to Connect" agreement and related deposits in relation to the expanded and relocated hydro services.

Prior to authorizing the installation of expanded hydro infrastructure, Toronto Hydro requires that the developer deliver a deposit to secure the owner's commitment to make use of the expanded infrastructure in the future. This deposit ensures that Toronto Hydro does not incur the related capital costs of expansion, only to discover that the lands that such improvements are intended to service remain undeveloped for an extended period of time. Provided that development proceeds in a timely fashion, the land owner is entitled to seek a reimbursement of the deposit from Toronto Hydro.

In the present circumstances the deposit requested by Toronto Hydro is \$4.6 million. Toronto Hydro has presented an Offer to Connect to Build Toronto for signature which would secure the obligation to pay this deposit. However, recognizing that Build Toronto is not yet the owner of the property, and that Terms of Transfer for the lands adjoining Six Points Interchange have not yet been approved by Council, Build Toronto has requested that the City fund this deposit in the interim. The Chief Corporate Officer and the Acting General Manager, Transportation Services, are in agreement with this approach, provided that Build Toronto undertakes to reimburse the City the full amount of the deposit.

Funding for the deposit would come from Transportation Services' project account CTP811-35 and dedicated project funding identified in FREEE project account CCA194-01 funded by LARF, to be transferred to Transportation Services upon Council approval of the Q2 2016 Capital Variance Report.

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