



REPORT FOR ACTION

Grant of Easements to Toronto Hydro for site-specific services at nominal consideration, including Downsview Park and Finch West Stations

Date: December 20, 2017
To: Government Management Committee
From: Director, Real Estate Services
Wards: All

SUMMARY

The purpose of this report is to obtain City Council authority to grant easements in favour of Toronto Hydro Corporation or Toronto Hydro-Electric System Limited for nominal consideration where such easement is required solely for the purpose of servicing City-owned lands, including easements at the Downsview Park and Finch West Stations Lands.

RECOMMENDATIONS

The Director, Real Estate Services recommends that:

1. City Council authorize the grant of easement interests to Toronto Hydro-Electric System Limited ("THES") in relation to the Downsview Park Station lands located at 25 Vitti Street; and the Finch West Station and Bus Terminal lands located at 3965 Keele Street, as further identified in Appendices 1 and 2, for nominal consideration and otherwise generally on the terms and conditions outlined in Appendices 1 and 2, together with such other or amended terms and conditions as may be satisfactory to the Deputy City Manager, Internal Corporate Services.
2. City Council authorize the Deputy City Manager, Internal Corporate Services to approve the grant of easements in favour of Toronto Hydro Corporation (THC) or its subsidiaries as long as the City remains a sole-shareholder of THC, at less than fair market value, and otherwise on terms satisfactory to the Deputy City Manager, Internal Corporate Services, at other City-owned properties, where such easement interests are required solely for the purpose of servicing City-owned lands, and are not for the purpose of providing electrical service to other properties.

3. City Council authorize severally each of the Deputy City Manager, Internal Corporate Services and the Director, Real Estate Services to execute any documents or agreements relating to the transactions identified in Recommendations 1 and 2.

4. City Council authorize the City Solicitor to complete the transactions identified in Recommendations 1 and 2, including making payment of any necessary expenses, and amending the closing date and other dates to such earlier or later date(s) and on such terms and conditions as the City Solicitor may consider reasonable.

FINANCIAL IMPACT

The easements in favour of THES or THC are being granted for nominal consideration and, as such, the City would be foregoing any revenue that would have been realized from the easement fee at full market value. If payment was required from THES for the easement interests at Downsview Park and Finch Avenue stations, City Staff have been advised that such amount would have been recovered from TTC by THES.

The market value estimate for the limited access easement at Downsview Park Station is \$55,000 and \$ 165,000 at Finch West Station.

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

DECISION HISTORY

There is no decision history associated with this item.

COMMENTS

At the request of the Toronto Transit Commission (TTC) and in connection with the construction of the Downsview Park and Finch West Stations as part of the Line 1 (Yonge-University Line) Extension project, THES has installed below grade hydro service duct banks and related switches and equipment at the City-owned station lands (collectively the "Station Lands") for the purpose of providing electrical service solely servicing two TTC traction power substations at these subway stations.

THES requires easement interests at these locations for access and maintenance of its infrastructure. City, TTC and THES Staff have reached agreement on appropriate terms and conditions for the easement agreements at the Station Lands, subject to Council approval, as noted in Appendices 1 and 2. The fair market value of the easement interests has been determined, by internal appraisal, to be \$55,000 and \$165,000 respectively. THES has noted that, should payment be required by the City in relation to such easements, then the associated costs would be recovered by THES from the TTC, as it is the TTC that has requested that electrical service be provided to these properties.

The proposed terms provide that the easements in favour of THES can be terminated by the City if the power supply is no longer needed by the City. In addition, the easements will be exclusively for the purpose of servicing the City-owned lands and will not be used to provide electrical service to other non-City properties. It is Staff's view that, given these limitations on the use of the easement lands, and the fact that THES would otherwise seek reimbursement of any payment required by the City from the TTC, it is reasonable that the easements in favour of THES be granted for nominal consideration. However, all disposals of property interests pursuant to Staff's existing delegated authority are required to be based on appraised value, and no interest can be granted at less than market value unless otherwise specifically authorized. Staff is therefore seeking authority from City Council to grant the easements referenced above to THES at nominal consideration.

Nominal Easement to Toronto Hydro Corporation and Delegation of Approval to Staff

Currently, Council approval is required for a disposal of property interests, including easements of more than 21 year, for less than market value. Given that the City of Toronto is a sole shareholder of Toronto Hydro Corporation (THES and Toronto Hydro Services Inc. are subsidiaries of Toronto Hydro), it is also being recommended in this report that, going forward, if Toronto Hydro Corporation or its subsidiaries require an easement from the City, solely for the purpose of servicing the City-owned property where the easement is located, then the Deputy City Manager, Internal Corporate Services be authorized to approve the grant of such easement at less than fair market value and on such other terms as are satisfactory to her. The delegated authority would only apply if the City remains the sole shareholder of Toronto Hydro Corporation.

Declaration as Surplus

Pursuant to Chapter 213 of the City of Toronto Municipal Code, before a commitment to sell or otherwise dispose of land, including a disposal by way of easement with a potential term of over 21 years, the property must first be declared surplus and a notice of the proposed disposal and the manner of disposal must be then be given to the public. The proposed easements at the Station Lands were considered and approved by the Property Management Committee. The Deputy City Manager, Internal Corporate Services has delegated authority to declare City property as surplus. By the date of consideration by City Council of this report, all steps necessary to comply with the City's real estate disposal process respecting the Easement Lands will have been complied with including giving the required public notice.

CONTACT

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SIGNATURE

David Jollimore
Director of Real Estate Services

ATTACHMENTS

Appendix 1 - Downsview Park Station Land - Major Terms & Location Map
Appendix 2 - Finch West Station - Major Terms & Location Map

Appendix 1

Major Terms of the Easement & Location Map - Downsview Park Station

City Lands:	Downsview Park Station at 25 Vitti Street
Grantor:	City of Toronto
Grantee:	Toronto Hydro-Electric System (THES)
Easement Lands:	Part of Lot 17, Concession 3, West of Yonge Street, designated as Part Nos. 1, 2 and 10 on 66R-27825, City of Toronto Part of PIN 10234-0630 (LT)
Easement Area:	547 m ² (5,887.8 ft ²)
Purpose:	For the purpose of enabling THES to enter and lay down, install, construct, erect, maintain, open, inspect, repair, keep in good condition and operate at all times a below grade hydro service duct bank and related switches and equipment (the "Works") for the purpose of providing electrical service to Downsview Park Station.
Consideration:	Nominal
Release of Easement	If the Easement lands are no longer being used for the permitted purposes, THES shall decommission and remove all plant installed to the satisfaction of the City, and consent to a Release of Easement.
Restrictive Use:	The Works shall not be used to provide service to property other than the City Lands without the express consent of the Grantor at its sole and absolute discretion.
Other Term:	The City and the TTC shall have the right to use the at grade component of the Easement lands for any municipal purpose it deem to be reasonably fit.
Closing Date:	The date the last of the parties has executed the Agreement, or on such other dates as may be agreed upon by the parties.

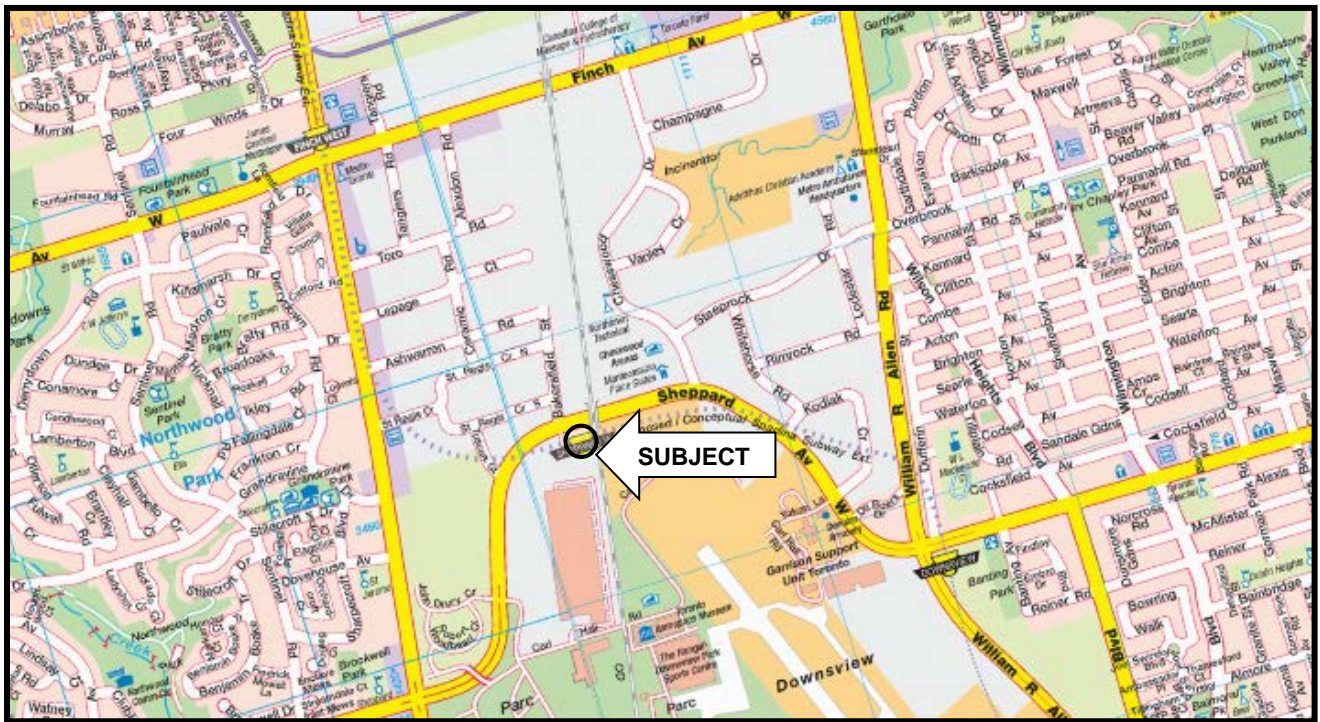


Figure 1 - Location Map of Downsview Park Station

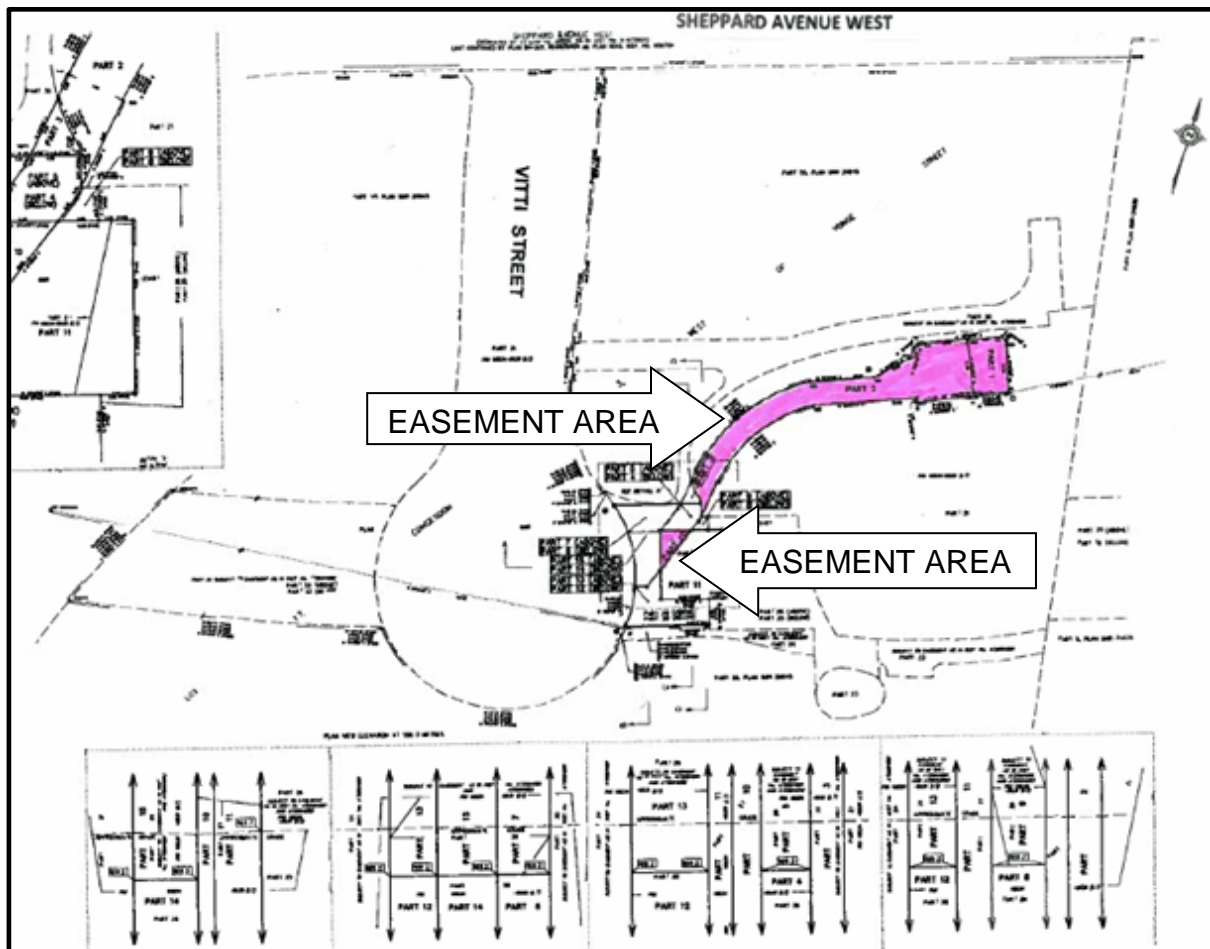


Figure 2 - Sketch Showing Easement Area at Downsview Park Station

Appendix 2

Major Terms of the Easement & Location Map - Finch West Station

City Lands:	Finch West Station at 3965 Keele Street
Grantor:	City of Toronto
Grantee:	Toronto Hydro-Electric System (THES)
Easement Lands:	Part of west half of Lot 21, Concession 3, West of Yonge Street, City of Toronto; Part of PIN 10179-0083 and shown as Part 1 on Appendix 2 - Figure 4
Easement Area:	Approximately 189 m ² (2,034.4 ft ²) Subject to adjustment following completion of property survey
Purpose:	For the purpose of enabling THES to enter and lay down, install, construct, erect, maintain, open, inspect, repair, keep in good condition and operate at all times a below grade hydro service duct bank and related switches and equipment (the "Works") for the purpose of providing electrical service to Finch West Station Lands.
Consideration:	Nominal
Release of Easement	If the Easement lands are no longer being used for the permitted purposes, THES shall decommission and remove all plant installed to the satisfaction of the City, and consent to a Release of Easement.
Restrictive Use:	The Works shall not be used to provide service to property other than the City Lands without the express consent of the Grantor at its sole and absolute discretion.
Other Term:	The City and the TTC shall have the right to use the at grade component of the Easement lands for any municipal purpose it deem to be reasonably fit.
Closing Date:	The date the last of the parties has executed the Agreement, or on such other dates as may be agreed upon by the parties.

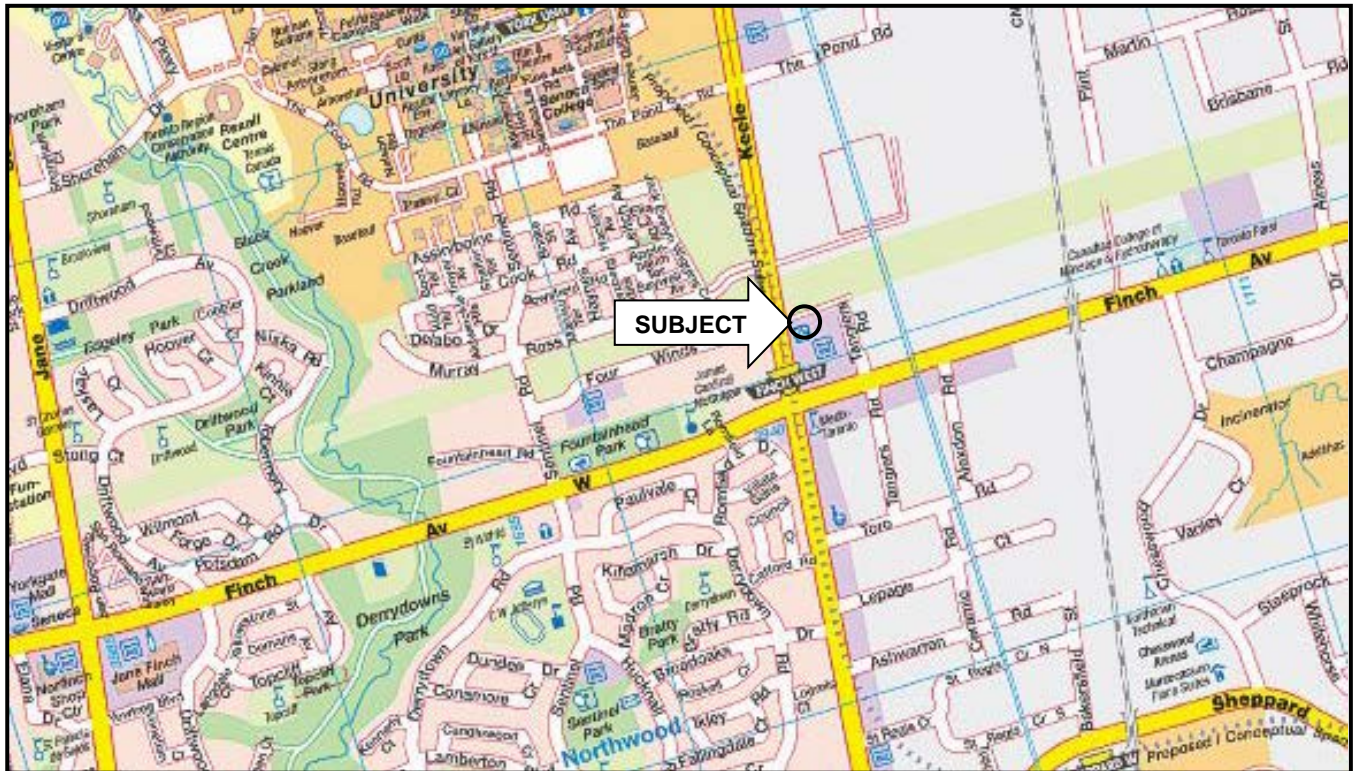


Figure 3 - Location Map of Finch West Station

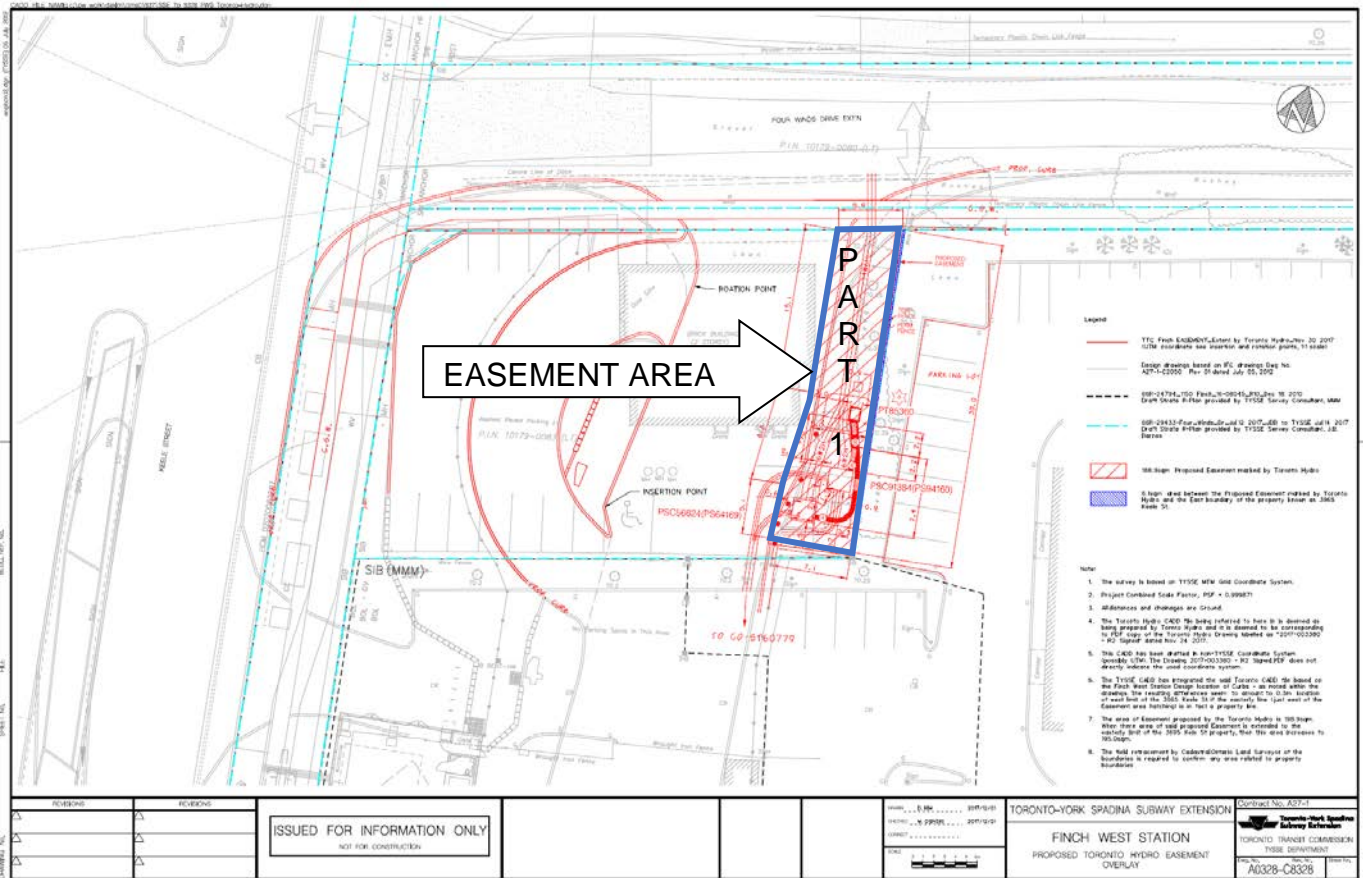


Figure 4 - Sketch Showing Easement Area at Finch West Station

Grant of Permanent Easement to Toronto Hydro for site-specific services at Nominal Consideration