



REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Proposed Settlement of Various Claims at 300 Borough Drive, 530 Progress Avenue and 580 Progress Avenue - Line 2 East Extension

Date: March 13, 2019
To: Executive Committee
From: Director, Real Estate Services
Wards: 21 - Scarborough Centre

REASON FOR CONFIDENTIAL INFORMATION

This report deals with a proposed or pending acquisition or disposition of land for municipal or local board purpose and litigation or potential litigation that affects the City or one of its agencies, boards and commissions.

SUMMARY

This report seeks authority to enter into and execute Minutes of Settlement pursuant to Section 24 of the *Expropriations Act* (the "Act"), to settle various claims with respect to the properties municipally known as 300 Borough Drive, 530 Progress Avenue and 580 Progress Avenue (collectively the "Property"), as shown on the Location Map in Appendix "D", in advance of constructing the Line 2 East Extension of the Toronto Transit Commission ("TTC") Subway System (the "Project").

Approval to enter into the Agreement is contingent on City Council adopting the Recommendations, in relation to the Project, provided in the Line 2 East Extension Attachment within the report (April 3, 2019) from the City Manager on Toronto's Transit Expansion Program - Update and Next Steps ("Transit Expansion Report") that this report supplements.

RECOMMENDATIONS

The Director, Real Estate Services, recommends that:

1. City Council adopt the following, subject to the adoption of Recommendation 4 in the report (April 3, 2019) from the City Manager:

- a. City Council authorize the Director, Real Estate Services (the "Director") to enter into and execute Minutes of Settlement (the "Agreement") with the owners of 300 Borough Drive, 530 Progress Avenue and 580 Progress Avenue and Toronto Transit Commission, substantially in accordance with the terms and conditions outlined in Confidential Attachment 1, and on such other or amended terms and conditions as may be acceptable to the Director and in a form satisfactory to the City Solicitor.
- b. City Council authorize the Director to execute the Agreement and any ancillary agreements and documents under the Agreement, on behalf of the City.
- c. City Council authorize the Director to administer and manage the Agreement, including the provision of any consents, approvals, amendments, waivers and notices, provided that he may, at any time, refer consideration of any such matters (including their content) to City Council for its consideration and direction.
- d. City Council authorize the City Solicitor to complete the Agreement on behalf of the City, including paying any necessary expenses, amending the closing and other dates, and amending terms and conditions, on such terms as she considers reasonable.

2. City Council direct that Confidential Attachment 1 remain confidential in its entirety as it deals with a proposed or pending acquisition or disposition of land for municipal or local board purpose and litigation or potential litigation that affects the City or one of its agencies, boards and commissions.

FINANCIAL IMPACT

This report seeks Council authority to enter into the Agreement for the payments outlined in Confidential Attachment 1, with funding provided in the 2019-2028 Capital Budget and Plan for the TTC, within the Line 2 East Extension capital project (formerly the Scarborough Subway Extension).

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

DECISION HISTORY

At its meeting held March 7, 2019, City Council adopted, *2019 Capital and Operating Budgets*, Items 287 and 288, approved the recommended capital budget for the Scarborough Subway Extension.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX2.5>

At its meeting held on January 24, 2019, the TTC Board considered and adopted, *Line 2 East Property Acquisition*. The report contained the recommendation to request Real Estate Services staff to negotiate the acquisition of property interests for 38 property interests.

[https://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2019/January 24/Reports/4 Line 2 East Extension Property Acquisition.pdf](https://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2019/January%2024/Reports/4%20Line%20East%20Extension%20Property%20Acquisition.pdf)

At its meeting held on June 12, 2018, the TTC Board considered and adopted, *Scarborough Subway Extension Tunnel and Emergency Exits Property Acquisition*. The report contained the recommendation to request Real Estate Services staff to negotiate the acquisition of property interests for 97 properties, required for the tunnel and emergency exits, for the Scarborough Subway Extension.

[http://www.ttc.ca/About the TTC/Commission reports and information/Commission meetings/2018/July 27/Minutes/Minutes June 12 2018.pdf](http://www.ttc.ca/About%20the%20TTC/Commission%20reports%20and%20information/Commission%20meetings/2018/July%2027/Minutes/Minutes%20June%2012%202018.pdf)

On February 14, 2018, DAF 2018-062 authorized the approval to enter into confidentiality agreements to facilitate access to certain information required for the Agreement.

<https://www.toronto.ca/wp-content/uploads/2018/04/986f-2018-062-300-Borough-Dr.pdf>

At its meeting of March 28 and 29, 2017, City Council adopted, *Next Steps in the Scarborough Subway Extension*. This report sought approval for the extension of Line 2 (Bloor-Danforth Subway) from Kennedy Station to Scarborough Centre via the McCowan alignment and to conduct the necessary Transit Project Assessment Process. <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2017.EX23.1>

At its meeting of July 12, 13, 14 and 15, 2016, City Council adopted, *Developing Toronto's Transit Network Plan to 2031*. City Council requested the 3-stop McCowan alignment be removed from consideration and an express option be developed.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.EX16.1>

COMMENTS

The Line 2 East Extension (the "Project") is a 6.2 kilometre extension of the Line 2 subway from Kennedy Station to Scarborough Centre, via Eglinton Avenue, Danforth Road and McCowan Road. As it relates to the Property, the Project will include the construction of the Scarborough Centre Subway Station (the "Station"), a double-track subway tunnel, a 31-bay bus terminal for TTC, GO Transit, Durham Region Transit and inter-city bus operators, an emergency exit building, station entrance, related appurtenances, temporary launch shaft for the tunnel boring machine, permanent and temporary utility and road relocations to facilitate station construction, demolition of the current SRT structure (following commencement of revenue service of the Line 2 East Extension) and associated construction work sites on portions of the Property.

The construction of the Project is phased to allow the existing Line 3 (Scarborough RT) to continue operation until the subway extension opens. The first phase is comprised of the new subway tunnel, the Station and McCowan Road portion of the bus terminal,

occurring between October 2020 and December 2026 ("Phase 1"), recognizing that there are risk allowances to the Project which may impact this schedule. The second phase will begin once the subway extension opens and the Line 3 structures can be demolished, following which the western section of the bus terminal will be constructed ("Phase 2").

The location of the Station was determined through the Transit Project Assessment Process for the Project, as prescribed by Ontario Regulation 231/08, Transit Projects and Metrolinx Undertakings, which included public consultation and meetings with affected property owners of the permanent interests identified.

The Project will require the acquisition or expropriation of multiple interests on the Property and TTC will occupy large portions of the Property for construction purposes for an extended period of time, currently estimated to be more than six years for Phase 1. The land interests required from the Property for both phases of the Project are shown on the Property Sketch of Required Lands in Appendix "A" (the "Required Lands"). The Required Lands are necessary for the construction of the subway tunnel, the Station and bus terminal, an emergency exit building and related appurtenances, and demolition of the existing Line 3 structures.

The owners and tenants of the Property will be entitled to assert claims for compensation and damages, pursuant to the Act, arising from Project construction and the expropriation of the Required Lands (approval for which is being sought in the Transit Expansion Report that this report supplements). The Agreement will allow for the settlement of certain claims in advance of Project construction.

The Agreement will have the additional benefit of accommodating a wider design of the bus terminal, as shown on the Proposed Wider Bus Terminal Design in Appendix "C", compared to the Current Narrow Bus Terminal Design, as shown in Appendix "B", that would be required absent the Agreement. This will be beneficial from a TTC operational standpoint as it will allow all 31 bus bays to be located in the same area of the Triton Trench and improve pedestrian flow in the terminal. It will also eliminate any potential access issues to adjacent parcels of land that may arise as a result of the narrow bus terminal design and reduce traffic conflicts between buses and mall traffic along Borough Drive.

The Project is still in the design stage and final design of the bus terminal is contingent on Council approval of the Agreement.

Staff are recommending the Agreement in order to mitigate potential disruption and resulting claims under the Act and to facilitate the future acquisition of the Required Lands.

CONTACT

Daran Somas, Acting Manager, Real Estate Services; Tel: (416) 397-7671; E-Mail: Daran.Somas@toronto.ca

Gary Downie, Chief Transit Expansion Officer (Acting), Toronto Transit Commission;
Tel: (416)-590-6218; E-Mail: gary.downie@ttc.ca

SIGNATURE

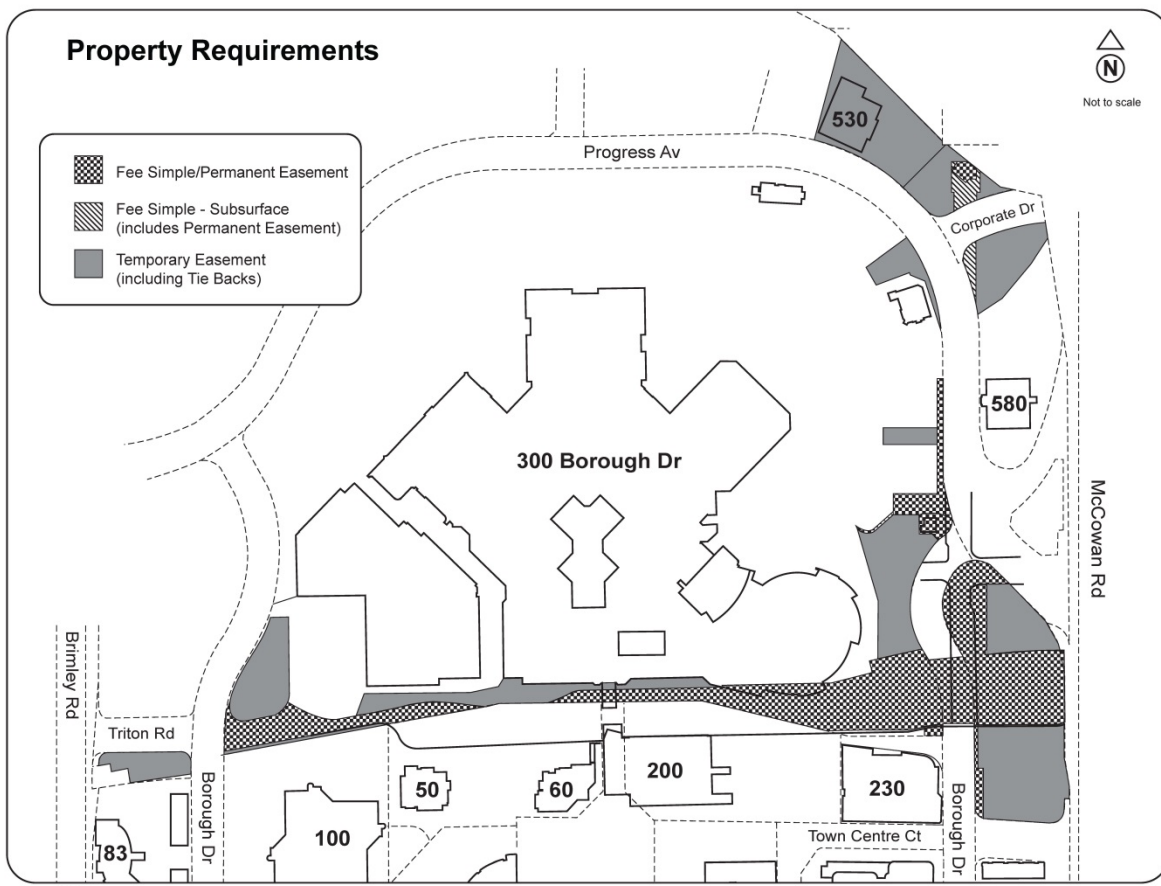
Nick Simos
Acting Director, Real Estate Services

ATTACHMENTS

Appendix "A" - Property Sketch of Required Lands
Appendix "B" - Current Narrow Bus Terminal Design
Appendix "C" - Proposed Wider Bus Terminal Design
Appendix "D" - Location Map
Confidential Attachment 1

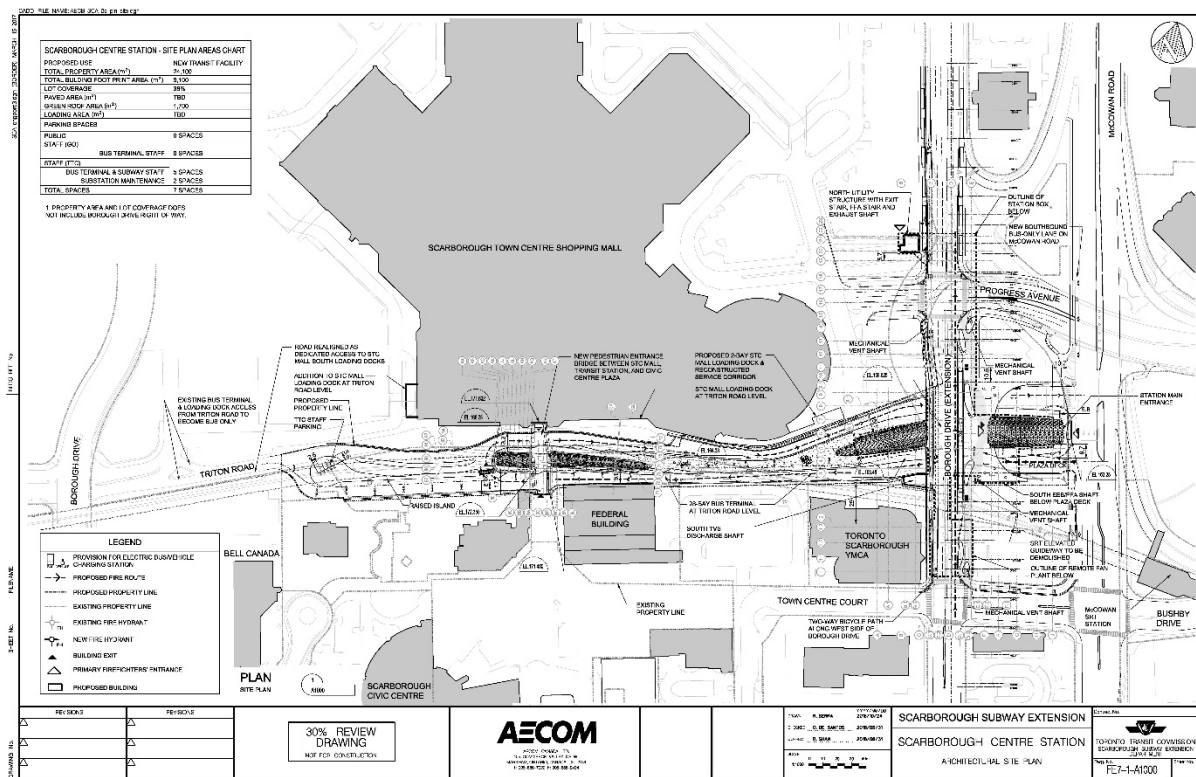
Appendix "A"

Property Sketch of Required Lands



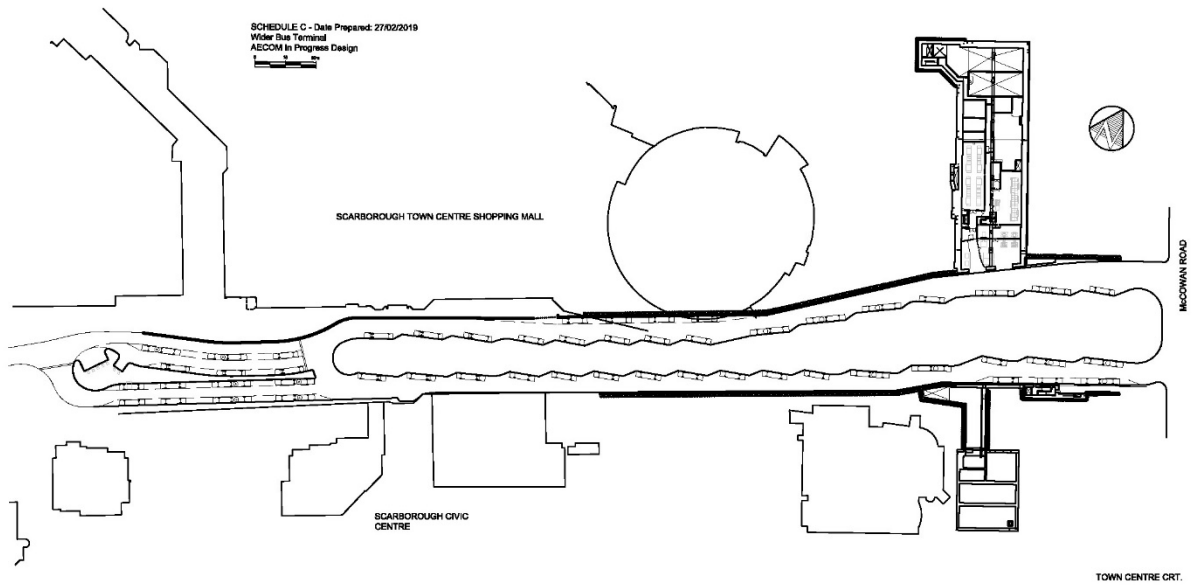
Appendix "B"

Current Narrow Bus Terminal Design



Appendix "C"

Proposed Wider Bus Terminal Design



Appendix "D"

Location Map

