

Metrolinx Lease

Date: March 21, 2023

To: Board of Governors of Exhibition Place

From: Don Boyle, Chief Executive Officer

Wards: All Wards

REASON FOR CONFIDENTIAL INFORMATION

This report deals with a proposed or pending acquisition or disposition of land by the City and the Board.

SUMMARY

Exhibition Place and City Real Estate staff met with Metrolinx facilities management staff in early October 2022 at their request to tour three potential sites for leasing of office space to align with their transit station completion date for the Ontario Line.

Staff from Exhibition Place and City Corporate Real Estate Management ("CREM") has since worked with Metrolinx to negotiate terms and conditions for a new lease for a term of five (5) years to commence on May 6, 2023 and ending on May 5, 2028 with one option to extend for a period of six (6) months and otherwise on the terms and conditions set out in this report (Appendix A).

This report is recommending that, subject to obtaining the necessary City of Toronto authorization, the Board approve entering into a new lease with Metrolinx, on the terms and conditions provided in this report.

RECOMMENDATIONS

The Chief Executive Officer recommends that:

1. Subject to obtaining the necessary City of Toronto approval, the Board approve a lease (the "Lease") between the City of Toronto, (the "City"), as landlord, Metrolinx, as tenant, and the Board, for a term of five (5) years commencing May 6, 2023, and ending May 5, 2028, with an option to extend for a period of six (6) months, substantially on the

terms and conditions set out in Appendix "A" and Confidential Attachment 1, and such other and amended terms and conditions deemed appropriate by the Deputy City Manager, Corporate Services (the "DCM"), the Chief Executive Officer of Exhibition Place (the "CEO"), and in a form satisfactory to the City Solicitor.

2. The Board authorize the CEO to request the necessary City authorities to approve and enter into the Lease.

3. The Board direct that Confidential Attachment 1 to this report remain confidential in its entirety and not be released publicly as it pertains to a proposed or pending acquisition or disposition of land by the City and the Board.

FINANCIAL IMPACT

It is estimated that the annual positive financial implications of the Lease for Basic Rent over its full initial term five (5) years will be \$488,718.72, plus an additional \$53,362.08 if the option to extend for an additional six (6) months is exercised, as outlined in Confidential Attachment 1.

The tenant is also responsible for property tax, maintenance, repair, its insurance, leasehold improvements, its share of operating costs, and utilities relating to the Premises.

DECISION HISTORY

The 2022-2026 Strategic Plan has a goal that ensures competitively priced services and sustainable operations, which means we will work with the City of Toronto to enable reinvestment and revenue opportunities that drive financial sustainability.

As this is a new lease with the tenant, there is no previous decision history.

COMMENTS

Metrolinx is working with other City of Toronto divisions on various City and regional transit initiatives and both Exhibition Place and CREM staff have worked to accommodate the Tenant to assist in delivery of those initiatives, including the Ontario Line which services Exhibition Place.

The Premises consists of the old parking office in the Queen Elizabeth Building (Withrow Common) including the basement kitchen/lunchroom, comprising approximately 2,856 sq. ft. as per drawings/sketch outlined in the term sheet (Appendix A). This space has been vacant since 2017 when parking staff moved to the General Services Building.

Tenant Background/History:

Metrolinx, an agency of the Government of Ontario under the *Metrolinx Act, 2006*, was created to improve the coordination and integration of all modes of transportation in the Greater Toronto and Hamilton Area.

The Ontario Line will be a 15.6 kilometre subway line that will make it faster and easier to travel within Toronto and beyond. The line will bring fifteen (15) new stations to the city and will run from Exhibition Place, through the heart of downtown, all the way to the Ontario Science Centre.

CONTACT

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SIGNATURE

Don Boyle
Chief Executive Officer

ATTACHMENTS

Appendix A - Main Terms and Conditions
Confidential Attachment 1 - Financial Analysis and Information