

## City Council

### Motion without Notice

MM29.20	ACTION			Ward: 12
---------	--------	--	--	----------

#### **Authority to Align and Extend the Existing Ground Leases at Yonge Street and Eglinton Avenue on the Toronto Transit Commission Lands - by Councillor Josh Matlow, seconded by Councillor Rachel Chernos Lin**

*\* This Motion has been deemed urgent by the Chair.*

*\* This Motion is not subject to a vote to waive referral. This Motion has been added to the agenda and is before Council for debate.*

#### **Recommendations**

Councillor Josh Matlow, seconded by Councillor Rachel Chernos Lin, recommends that:

1. City Council authorize the Toronto Transit Commission, as landlord, to enter the lease amending agreements identified in the recommendations of the Toronto Transit Commission Board approved on February 24, 2025, attached as required under Municipal Code Chapter 279 as the Toronto Transit Commission holds the Lands as agent on behalf of the City.
2. City Council request the Toronto Transit Commission Chief Executive Officer to consult with the local Councillor and Executive Director, Development Review, City of Toronto, on the redevelopment plan for the podium space connecting 2180 and 2200 Yonge Street.

#### **Summary**

Oxford Properties Group and CP REIT (collectively, the “Tenants”) is seeking to align the current terms of all the ground leases at the southwest corner of Yonge Street and Eglinton Avenue (known as “Canada Square”) with the Toronto Transit Commission, which will allow the Tenants sufficient term to secure the anchor tenant and to obtain the necessary capital investment to retrofit and modernize the existing buildings at 2180 and 2200 Yonge Street, shown on Appendix A.

In 2018, City Council authorized the Toronto Transit Commission to enter the consolidated ground lease, which once in full force and effect upon waiver or satisfaction of conditions set out in a commencement agreement, will extend the terms of the existing ground lease for a 99-year period, while allowing for a phased redevelopment of the property. Under the consolidated ground lease, the Tenants original redevelopment plans for the property included partial demolition of the existing buildings at 2180 to 2200 Yonge Street, improvements to the subway station entrances, and the construction of a new bus terminal for the Toronto Transit Commission, with the Toronto Transit Commission contributing \$25 million to the cost for the new bus terminal.

On February 24, 2025, the Toronto Transit Commission Board approved the Tenants' request to align the terms of the existing ground leases to allow the Tenants sufficient term to execute the anchor tenant office lease for the existing buildings at 2180 Yonge Street and 2200 Yonge Street, and to commit the necessary capital investment to retrofit and modernize those buildings for the anchor tenant. By securing the anchor tenant office lease, the Tenants will secure the presence of a major employer in the Midtown community and revenue to support the ground rent from these properties for the Toronto Transit Commission. for many years to come.

As required by Municipal Code Chapter 213, real estate agreements are generally entered into by the City. However, authority for Toronto Transit Commission to enter into the lease amending agreement is being sought in this instance in order to be consistent with the existing Council authority.

Reason for Urgency:

The matter is urgent because the Tenants fear that their anchor tenant may give notice to vacate Canada Square if the amendment to the lease is not heard at April City Council meeting and without the anchor tenant, the Tenants will not be able to secure financing for the new development.

### **Background Information (City Council)**

Member Motion MM29.20