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CORRIDOR LAND LEASE AGREEMENT WITH ONTARIO REALTY CORPORATION

The Finance and Administration Committee recommends the adoption of the recommendations contained in the following report, April 28, 2005, from the Commissioner of Corporate Services and the Commissioner of Transportation and Works:

1. RECOMMENDATIONS

It is recommended that:

1. The Region enter into a Corridor Land Lease Agreement with Ontario Realty Corporation for a term of twenty (20) years, for lands needed to permit buses to operate on Provincial property, described as Parts 1 and 2, Plan 65R-27565, Town of Richmond Hill, located south of the Richmond Hill Centre Terminal. The Corridor Land Lease Agreement with the Ontario Realty Corporation is based on an annual rent of $1,800.00, for the first five years. The rental rate will be subject to a re-appraisal every five years.

2. The Regional Chair and the Regional Clerk be authorized to execute the Corridor Land Lease Agreement on behalf of The Regional Municipality of York, subject to review by Legal Services, Corporate Services Department.

2. PURPOSE

The purpose of this report is to obtain authorization from Regional Council to enter into a Corridor Land Lease Agreement with Ontario Realty Corporation (ORC) for a parcel of land, located at Highway 7 and Yonge Street, adjacent to Regionally owned transit terminal property. The additional land is required to construct a larger bus terminal to meet the needs of GO Transit and accommodate bus turning movements at the facility.

3. BACKGROUND

In 2000, the Region purchased lands at Highway 7 and Yonge Street, jointly with the Town of Richmond Hill and GO Transit, to construct a bus terminal facility and related pickup/drop off parking and related site facilities for Viva’s Richmond Hill Centre Terminal. Subsequently, GO Transit expressed a desire, as part of the Memorandum of Understanding discussions, to operate through the Richmond Hill Centre Terminal by way of two bus stops at the platform. The additional bus bays required by GO Transit increased the size of the terminal so that the use of the adjacent utility corridor property, owned by the Province, is now needed to accommodate the larger terminal, i.e. turning movements of those vehicles.

4. ANALYSIS AND OPTIONS

ORC owns utility corridor land adjacent to the parcel of land previously purchased for the Viva Richmond Hill Centre Terminal. The 419 m^2 parcel of land would supplement the original Regional land acquisition and provide an adequate turning circle for buses. The ORC parcel is paved and is presently used for automobile parking. Other than strengthening the pavement, and installing curbs to delineate the edge of the terminal, no additional changes are proposed. The cost of these improvements is included in the Guaranteed Maximum Price with Kiewit-EllisDon who is constructing the Richmond Hill Centre Terminal as part of the Viva Design-Build contract.

ORC has indicated that it has no interest in permanently disposing of the lands that it wishes to protect for long term use as a utility corridor. In the event that the subject property is required for utility purposes, the curbs would be removed and replaced at the Region's cost. ORC has suggested a Corridor Land Lease as the most expeditious way to accommodate the commencement of Viva operations in September 2005.

The original purchase of the property was based upon a cost sharing agreement between the Region, the Town of Richmond Hill, and GO Transit. The Region and the Town of Richmond Hill both paid $200,000 per acre, whereas the GO Transit share was valued at $300,000 per acre. This higher value was based on the understanding that GO Transit would not contribute to any capital or operating costs for the terminal. As such, all costs associated with this land lease agreement will be assumed by the Region.

The agreement will further the goal of providing the required infrastructure for Viva, YRT and GO Transit.

5. FINANCIAL IMPLICATIONS

The required Corridor Land Lease is a result of the requirement for YRTP to accommodate two bus layovers at Richmond Hill Centre Terminal for GO Transit vehicles.

The annual lease cost of $1,800.00 has been included in the transit operating budget for 2005 and in the outlook years. The total commitment over the first five year term of the Corridor Land Lease Agreement is $9,000.00 (2005$). This rate is based upon an independent appraisal.

This rental rate is subject to approval from the Ontario Realty Corporation Board of Directors.

6. LOCAL MUNICIPAL IMPACT

This proposed facility will provide enhanced transit services to the local community. Local municipal officials are aware of the land requirement through the site plan process.

7. CONCLUSION

In order to accommodate the additional platforms required by GO Transit at Richmond Hill Centre Terminal, it is recommended that Regional Council endorse the execution of a Corridor Land Lease Agreement for the 419 m^2 parcel of land with the ORC.

The Senior Management Group has reviewed this report.