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YORK REGION TRANSIT VAUGHAN MILLS TERMINAL LEASE

The Transit Committee recommends the adoption of the recommendations contained in the following report, November 24, 2008, from the Commissioner of Transportation Services:

1. RECOMMENDATIONS

It is recommended that:

1. The Region enter into a lease for a 99-year term with Ivanhoe Cambridge II Inc. at the Vaughan Mills Mall for the purpose of construction and operating a York Region Transit terminal.
2. The Regional Chair and Regional Clerk be authorized to execute the lease on the Region's behalf, subject to the approval of Legal Services as to form and content.

2. PURPOSE

This report seeks Regional Council authorization to lease from Ivanhoe Cambridge II Inc. certain premises at the Vaughan Mills Mall to provide a transit terminal and for York Region Transit (YRT) to operate Regional transit services on the terminal site.

3. BACKGROUND

Construction of transit terminal secured through site plan agreement

The planning and construction of the Vaughan Mills Mall provided an opportunity for the Region to have a terminal constructed to provide improved access and connections to transit in the vicinity of Highway 400 and Rutherford Road in the City of Vaughan. As part of the site plan agreement between Ivanhoe Cambridge II Inc. (Ivanhoe Cambridge) and the Region, Ivanhoe Cambridge was required to work with the Region to design and build a transit terminal on the site of Vaughan Mills Mall and enter into a 99-year lease for the terminal.

The Region developed the design of the terminal in conjunction with the owner and the City of Vaughan

As part of the design process, staff worked with the owner and the City of Vaughan to develop the layout of the terminal. This included detailed specifications, operational

requirements, and the selection of site furnishings and signage inside the terminal and the mall. The terminal was constructed during the summer of 2004 and service began in December 2004.

The signing of the lease was held off until conditions of other agreements were fulfilled

Service to the Vaughan Mills Terminal began in December 2004 with an understanding that a lease would be executed once the other conditions of the site plan agreement and development charge requirements not related to the terminal were fulfilled.

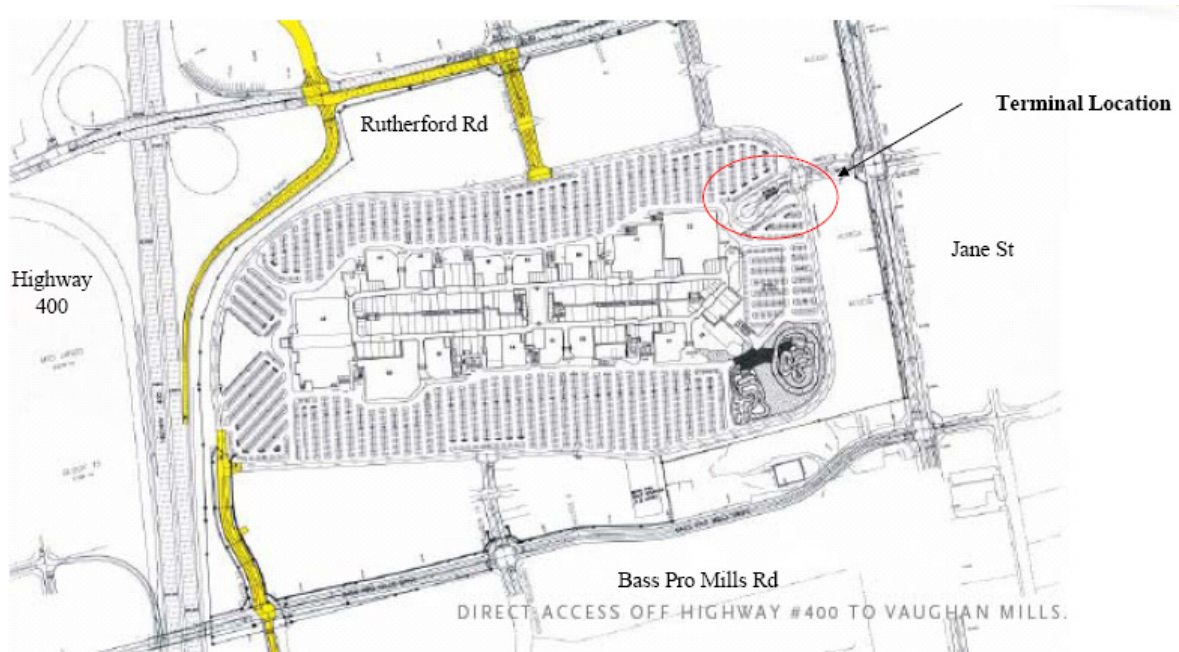
4. ANALYSIS AND OPTIONS

The terminal provides access to stores and restaurants in the mall itself, as well as connections to other destinations across south York Region and Toronto

The York Region Transit Five-Year Service Plan identifies several key objectives, including the need to improve both intra- and inter-regional transit connections, as well as overall service quality, in order to attract new users to transit and increase transit's modal share. In this regard, core services in south York Region are to focus on Viva stations, GO terminals and stations, and TTC subway stations, and also provide services to and from major destinations such as the York University campus and Vaughan Mills Mall.

The Vaughan Mills Terminal is located on the site of the Vaughan Mills Mall and includes eight platforms with shelters, benches and waste-recycling receptacles as well as a driver's washroom. Currently, YRT utilizes six of the platforms for Route 20 – Jane-Concord, Routes 85, 85A, 85B – Rutherford-16th, Route 12 – Pine Valley, and Route 360 – Maple Express (see Figure 1).

Figure 1 – Location of Vaughan Mills Terminal at Vaughan Mills Mall



The terminal provides access to over 200 retail stores, restaurants, and entertainment outlets located at the shopping centre. The maintenance and security of the terminal are provided by Ivanhoe Cambridge, creating a clean and safe environment for waiting customers.

99-year term lease is appropriate to secure the property

As service to the Vaughan Mills Terminal is expected to continue to grow, the terminal will become a busier location and an important feature of the community. Therefore, it is important to secure the location of the terminal, through a 99-year lease, without actually purchasing the property. YRT has a number of similar lease and operating agreements, of varying terms, with agencies such as the City of Vaughan, the Toronto Transit Commission and GO Transit.

Lease is necessary to identify terms and conditions

Regional staff have drafted a lease with Ivanhoe Cambridge to provide a transit terminal and allow YRT to operate Regional transit services at the Vaughan Mills Mall. The lease has also been reviewed and approved by Risk Management staff.

The lease will provide for all necessary administration, operating and maintenance components required for the transit terminal, as well as include provisions for security and enforcement, future closed circuit television and future capital improvements. The lease is a standard document and contains clauses relating to:

- Term of 99 years commencing as of December 1, 2004.
- Termination guidelines.
- Capital and/or maintenance costs.
- Terms of payment.
- Insurance requirements.
- Indemnification.
- Responsibilities.
- Operating guidelines and professional practices.
- Security.

Relationship to Vision 2026

The provision of a transit terminal at Vaughan Mills Mall supports the Vision 2026 principle of: “Partnerships: Co-ordinating, supporting and enhancing services through partnerships with area municipalities, other governments, community agencies and the private sector” and also supports the Region’s goal to “...have efficient and environmentally sensitive transportation, waste management and water systems”.

5. FINANCIAL IMPLICATIONS

The Region paid \$101,214 of the total capital cost of the transit terminal

As a condition of the site plan agreement, Ivanhoe Cambridge constructed the transit terminal in accordance with the plans and specifications developed, reviewed and approved by the Region. The total capital cost of the transit terminal was \$451,214 with \$350,000 of the cost assumed by Ivanhoe Cambridge as an obligation in the agreement, and the remaining \$101,214 paid for by the Region. The Region’s portion was paid out of the approved 2004 capital budget.

Operating and maintenance of the property will cost the Region approximately \$35,000 annually

Ivanhoe Cambridge is responsible for the major operating and maintenance activities of the transit terminal such as litter pickup, waste/recycling collection, lighting, shelter and washroom cleaning, and winter maintenance. The Region is responsible for a proportionate share of the operating and maintenance costs which has been set at the fixed annual amount of \$35,000, increased annually in accordance with the Consumer Price Index for All-items (Toronto). As there are currently six platforms in use, the annual cost per platform is \$5,833, which is well below YRT’s average annual maintenance cost of approximately \$30,000 per platform. This lower cost is mainly due to the fact that Vaughan Mills Mall already performs most of the services for their property and therefore they are readily available on-site.

Future capital improvements will be completed at the Region's cost

Any major capital repairs and replacements to the transit terminal will be the responsibility of the Region and will require approval by Ivanhoe Cambridge.

Sufficient funds are included in the 2008 Business Plan and Budget and the draft 2009 Business Plan and Budget to maintain and operate the Vaughan Mills Terminal.

6. LOCAL MUNICIPAL IMPACT

The Vaughan Mills Terminal is a direct benefit to the residents of the Towns of Markham and Richmond Hill, and the City of Vaughan as it is a major transfer point which provides intra- and inter-regional transit service to Viva, GO Transit train and bus services, TTC subway and bus services, York University, Canada's Wonderland (seasonal), Markham-Stouffville Hospital, Hillcrest Mall, and the Vaughan Mills Mall itself.

7. CONCLUSION

It is recommended that a lease be executed between The Regional Municipality of York and Ivanhoe Cambridge II Inc. to provide a transit terminal and continued operation of Regional transit services to and from the Vaughan Mills Mall.

For more information on this report, please contact Ann-Marie Carroll, Assistant Manager, Operations (ext. 5677) or Joshua Scholten, Facilities Supervisor (ext. 5696) in the Transit Branch of Transportation Services.

The Senior Management Group has reviewed this report.