



**STAFF REPORT
ACTION REQUIRED
with Confidential Attachment**

Lease of Office Space for South Field Office – 330 Bay Street

Date:	October 28, 2015
To:	TTC Board
From:	Chief Executive Officer
Reason for Confidential Information:	This report is about a proposed or pending acquisition or disposition of land for municipal or local board purposes.

Summary

The purpose of this report is to seek the Board’s approval of an offer to lease for office space located at 330 Bay Street to accommodate the South Field Office requirements, and delegation of authority to enter into a lease subject to the terms and conditions outlined in the Confidential Attachment.

Leasing of office space at 330 Bay Street, 7th floor is required to meet the South Field Office space requirements to support the TTC’s construction program in the south part of the City. The South Field Office was located at Union Station; however, the City requested that TTC vacate its space as of September 30, 2015, because it was required by the City to commence renovations to this part of Union Station.

TTC staff and its broker have conducted an extensive search for suitable facilities for office space to accommodate the construction office employees and location requirements. The proposed site available for lease at 330 Bay Street meets these requirements. TTC staff has negotiated an offer to lease with the terms and conditions set out in the Confidential Attachment. Upon Board approval of the report recommendations, a lease will be negotiated with the landlord. The office space at 330 Bay Street can be available for TTC use by December 1, 2015.

Recommendations

It is recommended that the Board:

1. Adopt the confidential recommendations contained in the Confidential Attachment to this report;
2. Approve the offer to lease for the office space located at 330 Bay Street 7th floor, Toronto, Ontario, having the terms and conditions set out in the Confidential Attachment;
3. Delegate authority to the CEO to execute a lease for office space located at 330 Bay Street, Toronto, Ontario based on the offer to lease in a form satisfactory to TTC's Head of Legal and General Counsel; and
4. Authorize the public release of the confidential information contained in this report once a lease has been executed between the TTC and the landlord of 330 Bay Street.

Financial Summary

The leasing of office space for these purposes has been included in the 2015-2024 TTC Capital Budget and sufficient funds are available in that budget for the 2015 costs associated with this award. This was approved by City Council on March 10/11, 2015.

Sufficient funds will be incorporated into future capital budgets for the rent, amortization of leasehold improvement costs and other costs arising out of entry into the proposed lease.

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

Accessibility/Equity Matters

Barrier free access is provided from street level to the leased space at 330 Bay Street by means of doors and elevators located on the ground floor of the building.

Issue Background

The South Field Office manages capital projects that are located in the south end of the city along the Line 1, of the subway, generally south of Bloor Street. This construction office is presently managing the following contracts: Second Platform and Concourse Improvements, Fire Ventilation Controls and Diesel Tank replacement at Union Station; Elevator Electrical Power Upgrade at St. Patrick Station; Subway Pump Replacement at Wellington Pumping Station; and Fire Ventilation Upgrade Second Exit/Automatic

Entrance at Wellesley Station. The office was located at Union Station until recently, when the City required the space for the Union Station construction project. The South Field Office has been relocated temporarily to 5 Park Home; however, this space will be required by Scarborough Subway Extension and other Capital project staff by December 1, 2015. On this basis, there is an urgent need to find office space that not only meets the locational requirements of the South Field Office, but is also available for early occupancy. The office space at 330 Bay Street is available for occupancy by December 1, 2015.

TTC staff have consulted with City of Toronto Real Estate Services Portfolio Management staff and confirmed that the City and its Agencies, Boards, Commissions and Divisions (ABCDs) do not have any surplus office space that meets the requirements for size, location and use.

Comments

The South Field Office was notified by the City on July 21, 2015 to vacate its office space located at Union Station by September 30, 2015. The South Field Office is being temporarily housed at 5 Park Home until December 1, 2015. If an alternate space is not available, these staff will be accommodated in full service temporary office space at a much higher cost. The office space at 330 Bay Street is available for occupancy as of December 1, 2015 with only minor leasehold improvements to be undertaken to meet TTC office requirements. This work will be undertaken by the landlord prior to and during the TTC occupancy.

Contact

Joanna Kervin
Head (Acting), Property, Planning and Development Department
Tel: 416-393-7884
Email: Joanna.Kervin@ttc.ca

Jane Murray
Chief Project Manager-Construction
Tel: 416-397-8711
Email: Jane.Murray@ttc.ca

Attachments

Confidential Attachment 1

03078-31-187