

City of Mississauga  
**Corporate Report**



Date: February 10, 2020

To: Chair and Members of General Committee

From: Gary Kent, CPA, CGA, ICD.D  
 Commissioner of Corporate Services and Chief  
 Financial Officer

Originator's files:  
 PO.11.DUN

Meeting date:  
 March 11, 2020

## Subject

**Surplus Land Declaration and Sale of City-Owned lands identified as 17 Dundas Street East to Metrolinx for the purpose of a Traction Power Sub Station ("TPSS") as required in connection with the Hurontario LRT Project (Ward 7)**

## Recommendation

1. That the Corporate Report titled "Surplus Land Declaration and Sale of City-Owned lands identified as 17 Dundas Street East to Metrolinx for the purpose of a Traction Power Sub Station ("TPSS") as required in connection with the Hurontario LRT Project" dated February 10, 2020 from the Commissioner of Corporate Services and Chief Financial Officer, be received.
2. That the City-owned lands municipally identified as 17 Dundas Street East and legally described as part of Lots 7 and 8, Plan TOR 12, in the City of Mississauga, Regional Municipality of Peel and designated as Parts 3 to 8 on Reference Plan 43R-13311, having an area of approximately 0.098 hectares (0.241 acres), be declared surplus to the City's requirements for the purpose of sale to Metrolinx.
3. That the Commissioner of Transportation and Works and the City Clerk approve and execute an Agreement of Purchase and Sale, including all ancillary documents and subsequent amending agreements, between The Corporation of the City of Mississauga ("City") as Vendor and Metrolinx as Purchaser of the vacant City-owned lands municipally identified as 17 Dundas Street East, having an area of approximately 0.098 hectares (0.241 acres), for a purchase price of \$2,100,000.00 plus reimbursement of appraisal fees in the amount of \$7,345.00, as required for the purpose of the Hurontario LRT project, which lands are legally described as part of Lots 7 and 8, Plan TOR 12, and designated as Parts 3 to 8 on Reference Plan 43R-13311 in the City of Mississauga, Regional Municipality of Peel in Ward 7.

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4. That the net proceeds of \$2,100,000 be deposited to the gain or loss on disposal of assets account (570165-28351) and the amount of \$2,100,000 be transferred to the Capital Reserve Fund #33121 with the remaining amount of \$7,345 being transferred to the Prepaid Land Sale expense account #125137 to reimburse the account for the cost of the appraisal report.
5. That all steps necessary to comply with the requirements of Section 2.(1) of City Notice By-law 215-08 be taken, including giving notice to the public by posting a notice on the City of Mississauga's website for at least three weeks prior to the execution of an agreement for the sale of the subject land.

## Background

In 2014, the City of Mississauga, working with the City of Brampton and Metrolinx, completed the preliminary design and environmental assessment approvals through the Transit Project Assessment Process ("TPAP") for the Hurontario-Main Light Transit Project. The Environmental Project Report ("EPR") completed under the TPAP identified 17 Dundas Street East, which is currently used as a municipal parking lot, as a potential site that might be required for the purpose of constructing a Traction Power Sub-Station ("TPSS").

Through the TPAP process, which included technical and public engagement, the infrastructure elements for the HuLRT Project were identified and included the need for supporting TPSS units to provide the necessary power to the light rail system. As per the EPR, TPSS locations consist of high voltage switchgear, transformer rectifier unit, DVC switchgear and supporting equipment to provide DC Traction power. The equipment would be installed in a secure pre-fabricated building and connected to the Alectra Utilities network. In addition, space would be required for supporting equipment, clearance access and maintenance vehicles. While there are variations by manufacturer which will not be determined until the detailed design process has been completed, in general, a pre-fabricated TPSS unit can be approximately 15 metres (49.2 feet) by 5 metres (16.4 feet) with additional site area space requirements of approximately 20 metres (65.6 feet) by 5 metres (16.4 feet).

On July 11, 2016 the City of Mississauga, the City of Brampton and Metrolinx, entered into a Memorandum of Understanding ("MOU"), for the development of a 23 kilometre, 26 stop (later modified to 18 kilometre, 19 stop), Hurontario Light Rail Transit ("HuLRT") system between Port Credit in the south and terminating within the City of Brampton to the north.

Under the terms of the MOU, the following applies for the transfer of lands to Metrolinx: "Each municipality will transfer (or to the extent agreed by the parties, deliver an easement or other real property interest in respect of) any other property, (i.e. Lands other than Easement Lands) owned by it or its boards, agencies, or commissions, upon which the project infrastructure will be built and located to Metrolinx for nominal consideration, save and except

only if such lands are occupied and in use or which generate revenue, in which case Metrolinx will pay to the applicable Municipality fair market value for such lands.”

Through the development of the Reference Concept Design (“RCD”) for the procurement process of the HuLRT project, Metrolinx confirmed the requirement of the 17 Dundas Street East property for the construction of a TPSS site.

The placement of these TPSS sites has been generally determined by a technical load flow analysis and refined through the consultation process which included a review of feasible alternatives. Within Mississauga, there is anticipated to be a need for twelve (12) TPSS locations with eight (8) identified on private lands and four (4) on public lands.

## Comments

The City-owned lands municipally identified as 17 Dundas Street East have been confirmed as a required location for a TPSS site to support the HuLRT Project implementation. This location is the only TPSS site located completely on City of Mississauga-owned lands which is to be acquired by Metrolinx. Metrolinx would like to proceed expeditiously on the procurement of the 17 Dundas Street East site from the City of Mississauga as it is a key infrastructure element and can also be used for early project staging once the procurement process has been concluded.

As part of the terms of the procurement, Metrolinx has committed to providing all necessary project lands within a specific time period to ensure the proposed project completion timelines. The processing of this transaction is required at this time in order to ensure that the lands are available within eighteen (18) months of the financial close of the procurement.

Prior to the sale of any City-owned lands, Council authorization is required to declare the lands surplus to City requirements. Realty Services has completed its circulation and received comments from Staff of Development and Design Division of Planning and Building Department (“D&D”) that D&D has concerns that the sale of this site will significantly limit the development of the adjoining lands. Metrolinx made attempts to find alternative locations for this TPSS however, due to accessibility, availability and technical constraints associated with power supply requirements, alternative sites could not be found. Should the City declare the lands surplus, D&D provided general comments respecting all TPSS design, such as limiting fencing only where absolutely necessary and the requirement of the use of architectural treatments on the facades to ensure they are visually pleasing. With regard to the 17 Dundas Street East site specifically, D&D suggested that the entire facility be located at the northerly limit of the property in order to reduce site footprint and reduce the visual impact on the public realm; place the driveway in front of the unit instead of beside to further reduce the site footprint; locate the power connection along the easterly side of the property line with a potential future connection to Hurontario Street; and recommended architectural treatment to the TPSS in order to integrate it into the existing built form. This has been communicated to Metrolinx and The City’s LRT team has confirmed that provisions have been made within the specifications document to

ensure that the ultimate design of the TPSS sites is context sensitive. The City of Mississauga has negotiated with Metrolinx through the procurement requirements to pay for the addition of cladding to reduce the visual impact at all TPSS locations. The specifications have also been drafted to promote these objectives/principles as much as technically possible. There are site constraints associated with accessing the unit and existing easements and underground services that limit the ability to address all of the suggestions made by D&D and these have already been flagged for D&D.

Prior to declaring lands surplus to City requirements, the various utilities are also circulated for interest and no utilities require protection save for those currently protected by easement. This report seeks to declare the lands municipally identified as 17 Dundas Street East being Parts 3 to 8 on Reference Plan 43R-13311, surplus to the City's needs and further requests authorization to sell the lands to Metrolinx for a TPSS.

Negotiations have concluded, and the City is now in receipt of an executed Agreement of Purchase and Sale from Metrolinx on the following terms:

- Parcel to be sold contains an approximate area of 0.098 hectares (0.241 acres) and is described as part of Lots 7 and 8, Plan TOR-12, Toronto and designated as Parts 3, 4, 5, 6, 7 and 8 on Reference Plan 43R-13311, City of Mississauga, Regional Municipality of Peel
- Purchase price of \$2,100,000.00 based on an appraisal estimating it's fair market value
- The parcel is subject to an existing easement along the north limit of the parcel in favour of the Region of Peel
- The sale to Metrolinx is conditional for 90 days on Metrolinx being satisfied with the result of any reports or surveys regarding the lands, with the environmental condition of the property, with the terms and conditions of any leases, licences or other agreements affecting the lands and with respect to all title matters
- Closing of this transaction to occur 45 days following the waiver by Metrolinx of the last of the Purchaser's conditions
- The lands are being sold "as is-where is"
- The City to have the option to re-purchase all, but not part, of the lands on the earlier to occur of: (i) delivery by Metrolinx to the City of written notice if Metrolinx no longer has a bona fide intention to construct the TPSS on the lands; and (ii) if Metrolinx fails to commence installation of the TPSS unit or associated supporting infrastructure by December 31, 2025. The option to re-purchase price to be \$2,100,000.00 increased by the percentage increase in the Consumer Price Index ("CPI"), applied on a cumulative year-over-year basis starting from the closing date of the transfer to Metrolinx to the date the City delivers a written notice to Metrolinx that it wishes to exercise this option, minus Land Transfer Tax, HST (if applicable) as well as reasonable legal fees and disbursements. If the option is exercised, the lands are to be re-conveyed to the City in no better or worse environmental condition

- Pursuant to Fees and Charges By-law No. 0156-2019, Metrolinx is to reimburse the City for its reasonable costs associated with this transaction, which shall not exceed \$3,000.00 plus reasonable disbursements and HST
- Metrolinx to reimburse the City for the cost of securing the appraisal report in the amount of \$7,345.00, including HST.

## Financial Impact

Revenue generated by the sale of 17 Dundas Street East to Metrolinx in the amount of \$2,100,000.00 is to be deposited to the gain or loss on disposal of assets account (570165-28351) and will be transferred to the Tax Capital Reserve Account (33121). The Purchaser will be required to pay the Land Transfer Tax, HST, legal fees pursuant to the Fees and Charges Bylaw as well as any registration fees associated with this purchase. Metrolinx has also agreed to reimburse the City for the cost of securing the appraisal report in the amount of \$7,345.00, including HST and these monies will be deposited into Prepaid Land sale expense account #125137. Since the proceeds from the sale are being transferred directly to the Tax Capital Reserve Account, there is no impact to the Operating and Capital budgets. In the event that the re-purchase option is triggered in the future, funds will need to be identified for this purpose.

## Conclusion

In order to address Metrolinx' requirement for a TPSS site to supply power to the HuLRT, it is recommended that the lands identified as Parts 3 to 8, inclusive, on Reference Plan 43R-13311, be declared surplus to City requirements and sold to Metrolinx.

## Attachments

Appendix 1: Approximate Location of Subject Lands: 17 Dundas Street East

Appendix 2: Copy of Reference Plan 43R-13311 identifying the subject lands as Parts 3,4,5,6,7 and 8.



Gary Kent, CPA, CGA, ICD.D, Commissioner of Corporate Services and Chief Financial Officer

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