
Report of the Commissioner of Corporate Services
Expropriation Settlement Toronto-York Spadina Subway Extension
2900 Steeles Avenue West City of Vaughan

1. Recommendations

1. Council authorize settlement of all claims pursuant to the *Expropriations Act* with the fee simple owner of 2900 Steeles Avenue West, related to construction of Toronto-York Spadina Subway Extension in the City of Vaughan.
2. Commissioner of Corporate Services be authorized to execute the Minutes of Settlement and all necessary documentation to complete the transaction.

2. Purpose

This report seeks Council approval to complete a full and final settlement regarding the expropriation of 2900 Steeles Avenue West in the City of Vaughan, as shown in Appendix A.

Private Attachment 1 to this report will be considered in private session pursuant to section 239(2)(c) of the *Municipal Act*, 2001, because it relates to the acquisition of land by the Region.

Key Points:

- Land was acquired in 2010, 2016 and 2021 with some land returned to the owner to mitigate impacts
- The subway runs underneath a parcel and materials distribution centre
- Final compensation is for market value of land, injurious affection and disturbance damages related to increased distribution centre expansion construction costs
- Proposed settlement protects the Region from any additional claims by the owner

- Council authorization is required to increase total compensation for claims made by the owner, over and above the amount previously approved for the Section 25 Offer of Compensation

3. Background

Toronto-York Spadina Subway Extension project extended subway service from Toronto to the Region

Toronto-York Spadina Subway Extension (TYSSE) project extended TTC subway service from Sheppard West Station in Toronto to the Vaughan Metropolitan Centre (VMC) at Highway 7 in the City of Vaughan. TYSSE involved the construction of subway tunnels and stations, emergency exit buildings, power substations, bus terminals, parking lots, roads, and other subway-related infrastructure. In [June 2007](#), Council authorized the Region to enter into agreements with the City of Toronto that formed the construction, ownership and operational understandings between the parties. Following approval from the Ministry of the Environment, construction started with utility relocations in 2008 followed by subway construction between 2010 and 2017. Subway service commenced on December 17, 2017.

Land requirements were identified to complete the project and steps were taken to obtain land

TYSSE identified land requirements from twelve property owners along the new subway route, north of Steeles Avenue West. All land required to facilitate the project was obtained through a mix of negotiated agreements and expropriation.

Council approved the acquisition of land

The 16.45-hectare property is improved with a parcel and materials distribution centre consisting of three buildings totalling approximately 45,421 square metres. The facility is operated by the landowner, United Parcel Service Canada Ltd., with distribution, vehicle repair, vehicle wash and fueling activities. The remainder of the site is improved with asphalt and concrete paved areas used for fleet vehicles, trailer storage and employee parking.

Land requirements included fee simple, subsurface fee simple, permanent easement and temporary easement interests traversing the north and east portions of the property. They were acquired for subway tunnel, emergency exit building, sidewalk, utilities, temporary working areas and protection over the subway tunnel from future development and encroachments. An independent appraisal was prepared and an offer of compensation was made under Section 25 of the *Expropriations Act* (the “Act”) based on Council approval in [February 2011](#).

Additional land requirements were acquired by negotiated agreements and land was returned to the owner to mitigate impacts

Additional land was acquired via two negotiated agreements pursuant to section 30 of the *Act* approved by Council in [May 2014](#) and by Delegation Bylaw [2018-50](#). Land was required for additional temporary working area, temporary construction easement extensions, sewer, sidewalk, vent shaft and encroachment mitigation. During construction, the owner replaced and relocated a large propane tank near the subway emergency exit building. The separation distance was too close, so the Region returned some land to the owner to resolve the issue.

The agreements preserved the owner's right to make further claims.

Owner executed a Section 25(b) offer of compensation and partial settlement

The owner accepted an offer of compensation under Section 25(b) of the *Act*, retaining its right to make further claims. The owner also agreed to a partial settlement for the advanced payment of injurious affection. Interest accrual stopped on the amounts advanced under the Section 25(b) offer and the partial settlement. Interest continued to accrue on the portion of the final settlement that exceeded the advanced payments.

4. Analysis

Toronto-York Spadina Subway Extension design and construction impacted the owner's facility expansion

TYSSE affected several aspects of the facility's expansion. Subway realignment and tunnel underneath the facility delayed site development approval and increased design and construction costs. The subway emergency exit building also limited options for the owner's propane tank relocation.

The Region and Owner underwent private mediation

The Region and owner agreed to settle market value and injurious affection (permanent value loss) but were unable to agree on development delay and increased expansion costs. On April 23, 2024, the Region and owner underwent private mediation. A settlement was negotiated with the owner.

The Region will not incur additional expenses once the final settlement is completed

Regional staff and the owner agreed to a settlement of the expropriation, negotiated agreements and partial settlement, which includes market value, injurious affection and disturbance damages.

The negotiated full and final settlement is in the Region's best interest. It will avoid continued interest accrual in accordance with the *Act*, and exposure to future claims for increased construction costs related to the owner's facility expansion over the subway tunnel. Upon completion of this agreement, the Region will not incur any further legal and litigation expenses with respect to this settlement.

Environmental due diligence has been completed

Environmental due diligence was completed for the Region's interests in the fee simple, permanent easement and temporary easement lands. Staff reviewed the results in consultation with Legal Services. No further environmental investigation or related work was required.

5. Financial Considerations

TYSSE is led by TTC and funded by City of Toronto (59.96%) and the Region (40.04%). Payment for this settlement will be recorded in the YRRTC-managed YYSSE program and recovered from TTC, which holds the overall project budget. TTC will then invoice the Region for its share of the cost (40.04%). The invoice will be applied against working capital held by TTC on the Region's behalf and/or a previous accrual for pending settlements.

6. Local Impact

Construction of the subway, bus terminals and related facilities was critical to achieving the Region's vision for the YYSSE project. The project has improved public transit services and kickstarted the rapid development of the VMC. Future land development along the subway will contribute to growth in the City of Vaughan and the Region.

7. Conclusion

The Region expropriated land at 2900 Steeles Avenue West in the City of Vaughan for the YYSSE project. A final settlement has been negotiated with the owner which represents good value to the Region.

It is recommended that Council authorize the expropriation settlement described in this report to settle all claims with the owner of 2900 Steeles Avenue West.

For more information on this report, please contact Michael Shatil, Director, Property Services at 1-877-464-9675 ext. 71684. Accessible formats or communication supports are available upon request.

Recommended by:



Dino Basso

Commissioner of Corporate Services

Approved for Submission:



Erin Mahoney

Chief Administrative Officer

June 6, 2024

#15050088

Appendix A – Property Schedule and Location Map


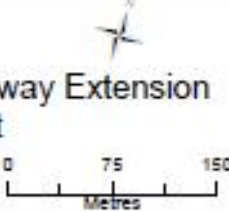





Private Attachment 1 – Proposed Compensation (#15050608)

**Property Schedule
Expropriation Settlement
Toronto-York Spadina Subway Extension
2900 Steeles Avenue West
City of Vaughan**

No.	Owner	Municipal Address	Legal Description	Interest Required
1.	United Parcel Service Canada Ltd. (formerly 724352 Ontario Ltd.)	2900 Steeles Avenue West Vaughan	Part 4, Plan YR1589373 Parts 1, 2, 3 and 4, Plan 65R-34222 Parts 1, 2, 3, 4, 5 and 6, Plan 65R-34236 Parts 11, 12, 13, 14, 18 and 19, Plan 65R-38475	Fee Simple (1,399.3 sq. m.)
			Parts 2, 6, 8, 11, 13, 15, 28, 30 and 32, Plan YR1589373	Sub-Surface Fee Simple (13,755.3 sq. m.)
			Part 1, Plan 65R-37337	Fee Simple Returned to Owner (145 sq m.)
			Parts 1, 5, 7, 10, 12, 14, 27, 29 and 31, Plan YR1589373 Parts 14, 16, 21, 22 and 23, Plan YR1589373 Part 5, Plan 65R-34222 Parts 5 and 6, Plan 65R-34222	Permanent Easement (15,100.3 sq. m.)
			Parts 3, 5, 7 and 9, Plan YR1589373	Temporary Easement – 24 Months (750 sq. m.)
			Parts 12, 17, 18, 19, 20, 24, 25, 26, 27, 29 and 31, Plan YR1589373	Temporary Easement – 60 Months (2,432.9 sq. m.)
			Parts 6 and 7, Plan 65R-34222	Temporary Easement Extension – 43.5 Months (651.9 sq. m.)

LOCATION MAP



 <p>Produced by: The Regional Municipality of York Property Services, Corporate Services May 2024</p> <p>Date: King's Printer for Ontario 2003-2024</p> <p>Imagery: © First Base Solutions Inc. 2021 See York.ca for additional information.</p>	<p>Location Plan Expropriation Settlement Toronto-York Spadina Subway Extension 2900 Steeles Avenue West City of Vaughan June 13, 2024</p> 	<ul style="list-style-type: none">  Subject Property  Interest Required  Parcel  Road  Railway
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