

# **TORONTO** STAFF REPORT

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August 15, 2006

To: Administration Committee

From: Chief Corporate Officer

Subject: Status Report on the Redevelopment of the St. Lawrence Market North property  
(Ward 28 - Toronto Centre - Rosedale)

Purpose:

To report on the preliminary investigations of using the Market Square garage to provide site access to underground parking on the North Market property and the feasibility of Court Services locating in a new North Market building.

Financial Implications and Impact Statement:

There are no financial implications arising from the recommendations in this report.

Recommendations:

It is recommended that:

- (1) the Chief Corporate Officer provide a business plan and a detailed plan for the redevelopment of the North Market building to Administration Committee in the first quarter of 2007; and
- (2) the appropriate City Officials be authorized and directed to take the necessary action to give effect thereto.

Background:

At its meeting of June 27, 28 and 29, 2006, City Council adopted Administration Committee Report No. 4, Clause 11, entitled, "Below-Grade Parking Access Options for the Redevelopment of the St. Lawrence Market North Property" and in so doing,

- (1) received the St. Lawrence Market North Building Redevelopment, Traffic Impact Study, Final Report by iTrans, dated May 2006 for information;

- (2) directed the Chief Corporate Officer, in consultation with the City Solicitor, the General Manager of Transportation Services and the President of the Toronto Parking Authority, to investigate with the owners of the existing below-grade parking facility (Market Square garage) immediately to the west, the economic, legal, physical and operational feasibility of constructing a connection to provide the proposed parking garage in the North Market property with access to Church Street;
- (3) in the event that there are insurmountable economic, legal, physical or operational limitations to obtaining the connection described in Recommendation (2), the Chief Corporate Officer, in consultation with the General Manager of Transportation Services, the General Manager of the Toronto Transit Commission and the President of the Toronto Parking Authority, was authorized to undertake the following:
  - (i) review the financial feasibility, technical requirements and policy issues of the King/Jarvis option, which involves constructing a parking ramp underneath Market Lane Park to provide right turn only access to King Street and placing an inbound lane on Jarvis Street having regard for key Official Plan policies which discuss maintaining and improving the public realm and providing priority to surface transit vehicles on key Downtown streets; and
  - (ii) review mitigation measures to address impacts to the heritage environment and the quality of the pedestrian environment in Market Lane Park.
- (4) directed the Chief Corporate Officer to consult with the Director of Court Services to investigate the feasibility of Court Services becoming the primary tenant in the three upper floors of a redeveloped North Market building;
- (5) directed the Chief Corporate Officer, in consultation with the Chief Building Official, the General Manager of Transportation Services and the Chief Planner & Executive Director of City Planning Division, to determine the optimal number of parking spaces to be constructed in conjunction with a redeveloped North Market building, having regard for economic viability, Zoning By-law requirements, City building objectives and operational feasibility;
- (6) directed the Chief Corporate Officer to report to Administration Committee, by September 2006, on the results of the investigation in Recommendation (2), (4), (5) and if necessary, Recommendation (3) to confirm the recommended access option and outline next steps in the redevelopment of the North Market property;
- (7) directed that the forthcoming report from the Chief Corporate Officer address a process to develop a coordinated management model suitable for the new market place including, but not limited to, the North and South Market and the St. Lawrence Hall;
- (8) authorised the Executive Director, Facilities & Real Estate, with signing authority for all of the City Planning and Building Division applications that are required to redevelop the St. Lawrence Market North building and all of its project components; and

- (9) authorised and directed appropriate City Officials to take the necessary action to give effect thereto.

At this time, City staff are not reporting on Recommendation (3) which comes into effect only in the event that there are insurmountable economic, legal, physical or operational limitations to obtaining the connection to the Market Square garage as described in Recommendation (2). City staff are also not reporting on Recommendation (5) which directs staff to determine the optimal number of parking spaces that would be required to serve a redeveloped North Market building. As there are still technical parking issues that need to be resolved, staff will report on this recommendation when the business plan and a detailed plan for the redevelopment of the North Market building is presented to Administration Committee in the first quarter of 2007.

Recommendation (7) requests the Chief Corporate Officer to address a process to develop a coordinated management model for the St. Lawrence Market precinct. Staff are currently working on this matter and anticipate reporting out in 2007.

#### Comments:

#### Development Strategy

Redeveloping the North Market site would provide an opportunity to accomplish a number of public policy objectives:

- a new building that fully utilizes the full range of permitted uses under the Official Plan and Zoning By-law;
- a new building that has an expanded range of uses that complement the activities of the South Market;
- a new energy efficient building that is LEED certified Silver;
- a new building that is compatible with the heritage character of the area;
- underground parking under the new North Market building that would serve the entire St. Lawrence Market precinct;
- improved building facilities (eg. improved lighting, acoustics, electrical systems) that would support the activities of the Farmers Market and the Antique Market as well as other new uses;
- improved design and park functions that would increase the attractiveness of Market Lane Park, as the new building would be designed to complement the Park; and
- increased tax revenue for the City.

Until recently, City staff anticipated that the North Market building would be developed by private sector interests. However, there is now an opportunity to consolidate Court Services South and Head Office and Administration functions into one purpose-built, downtown City facility. Based on its current business plans and its case load forecast, Court Services is projecting a higher need for court rooms and support services in the future.

Currently Court Services South is at Old City Hall and the Head Office and Administration functions are at 481 University Avenue and 137 Edward Street. 481 University Avenue and 137 Edward Street are not City-owned buildings, for which Court Services pays a market rent. Recently, the lease at 481 University Avenue was amended because Court Services needed space to accommodate additional staff and to improve its record storage facilities. There were no City-owned properties within the proximity of Old City Hall that could be used.

Although Old City Hall is a City-owned building, it is shared with the Province for its criminal courts. As such, there are constraints on the ability of Court Services to expand its court rooms and support functions to meet future commitments. Since 481 University Avenue and 137 Edward Street are not City-owned buildings and because there are limitations to expanding in Old City Hall, there is merit to meeting the future needs of Court Services within new purpose built-facility. A purpose-built facility could potentially be more economic than renovating third-party leased space (due to the architectural standards for court space and support functions) and there is an opportunity to streamline staffing and facilities, improve caseload management (through the provision of more court rooms) and improve customer service.

In addition, there is merit to incorporating court and head office functions into a newly developed North Market building because these uses will enable the building to operate seven days a week (court and head office functions during the week and markets on the weekends). With a projected foot traffic of 800 to 1000 people (not including Court Services staff), the court functions would also complement the activities of the South Market and the restaurants and shops in the surrounding St. Lawrence community.

The St. Lawrence Market area is already a significant tourist attraction. A redeveloped North Market building that has the dual civic functions of a public market and a court house would greatly contribute to this area as a destination place.

The development strategy will be further refined as a business plan and a detailed plan for the redevelopment of the North Market building is being developed. To date, staff from Facilities & Real Estate have initiated the required studies needed to assess the feasibility of Court Services becoming the primary tenant in a new North Market building and the required studies needed to finalize a parking strategy.

#### Detailed Needs Assessment for Court Services

In consultation with the Director of Court Services, space planning is currently underway to determine if the needs of a consolidated Court Services South and Head Office and Administration could be accommodated on the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> floor of a new North Market building (ie. all of the floor area above the Market and mezzanine floors). The Development

Parameters provide for a total of 6,620 m<sup>2</sup> of gross floor space within the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> floors. A preliminary assessment of current and future space needs indicates that all of the 2<sup>nd</sup>, 3<sup>rd</sup> and 4<sup>th</sup> floors could be rented by Court Services. The Director of Court Services will continue to work with Facilities & Real Estate to finalize Court Services' space needs and to provide input in developing the business plan.

#### Parking Strategy – Technical Studies

Facilities & Real Estate staff met with the owners of the Market Square garage to discuss the issues involved in constructing a connection between underground parking at St. Lawrence Market North and underground parking in the Market Square garage and are concentrating first on the physical and operational feasibility of such a connection (economic and legal issues will follow).

##### a) Traffic Impact Study of the Market Square Garage

Facilities & Real Estate, in consultation with Transportation Services, commissioned a traffic and transportation consultant to study the operational impacts on the Market Square garage if a new 250 space parking garage under St. Lawrence Market North were connected to it, with access to the combined garage from the existing parking entrance on Church Street.

The traffic and transportation consultant was asked to undertake the following:

- analyze traffic capacity at the King Street East and Church Street intersection;
- confirm from a traffic operations that there is sufficient capacity in the at the Church Street driveway to handle the volume of traffic stemming from a new 250 space parking garage;
- conduct a traffic survey of the internal movements of the garage to determine the circulation pattern/volumes of traffic along the driveway aisles on the P1 level, during peak AM, PM and weekend periods; and
- recommend mitigation measures (if any are required) and provide a functional plan for the P1 level including the P1 level underneath the North Market site.

Preliminary observations conducted by the consultant found that traffic volumes stemming from a new 250 space parking garage attached to the existing garage at Market Square would not create any significant impact on existing garage operations. No mitigation measures were recommended. In addition, the consultant confirmed that there was sufficient capacity at the Church Street driveway to handle the traffic volumes. Staff from Transportation Services and City Planning are currently reviewing the preliminary work. A final report will be completed in early September which will provide input into the parking strategy.

b) Structural Engineering Study

Facilities & Real Estate commissioned an engineering firm to assess the ramifications of removing a section of the east perimeter foundation wall in the P1 level of the Market Square garage to create a portal which links to new parking under St. Lawrence Market North via a tunnel under Market Lane Park. The engineering consultant was asked to assess the structural feasibility and ramifications of removing a section of the east perimeter foundation wall in the P1 level of the Market Square garage to create a portal which would lead to a tunnel underneath Market Lane Park. At the time of the writing of this report, the work is in progress.

c) Combined Brick Sewer

If a tunnel were to be constructed between Market Square and St. Lawrence Market North to link the two underground parking garages, it would conflict with a 525 mm by 900 mm combined brick sewer that runs north-south underneath Market Lane Park. An investigation conducted by Toronto Water found that it is still in use. Staff from Toronto Water advised that relocation of the sewer may be possible pending a review of detailed site plans.

Facilities & Real Estate staff will continue to resolve the parking strategy and the technical development issues associated with constructing a connection between underground parking at St. Lawrence Market North and underground parking in the Market Square garage.

#### Temporary Relocation of the Farmers' and Antique Markets

An application for a Temporary Zoning By-law has been submitted to City Planning to permit a one storey pre-fabricated temporary building to be located on the block bounded by Lower Jarvis Street, The Esplanade, Market Street and Wilton Street for a period of under 3 years. It is known municipally as 125 The Esplanade and is currently occupied by a Toronto Parking Authority parking lot.

The temporary building will house the Saturday Farmer's Market and the Sunday Antique Market during the demolition and redevelopment of the new North Market building. It is expected that demolition and construction will take approximately 2 years.

The application is required because 125 the Esplanade is zoned G which does not permit the proposed retail use. Staff from the Parks, Forestry and Recreation Division are aware of this rezoning application and have no objection to it. The Toronto Parking Authority is aware of this rezoning application and also has no objection to it.

The proposed temporary building will be pre-fabricated, slab-on-grade, without any permanent structural or servicing elements. All services will be brought temporarily onto the site (eg. portable toilets, washing facilities and generators). The temporary retail use and the temporary nature of the building and services to be placed on the site would not alter the long term viability of the site for the park/open space use as intended in the Official Plan and Zoning By-law.

City Planning staff are currently reviewing the rezoning application. As per the planning process, City Planning staff will hold a community consultation meeting and a recommendation will be made to City Council.

#### Closure of Wilton Street

In conjunction with the rezoning application, Facilities & Real Estate has requested that Transportation Services consider the temporary closure of Wilton Street between Lower Jarvis Street and Market Street. The closure of Wilton Street is required to accommodate the temporary building which encroaches approximately 1.07 metres into the right-of-way and to allow for some outside storage of tables and equipment associated with the Farmers' and Antique markets. Staff from Transportation Services are currently reviewing the request and have circulated it to affected City Divisions and public utility companies.

#### Preliminary Assessment of Financial Feasibility

Facilities & Real Estate commissioned a quantity surveyor to prepare an estimate of the cost of constructing the new North Market building with Court Services as the primary tenant in the upper three floors. A preliminary estimate of the capital cost of construction for the building and underground parking facilities is estimated to be \$44.2 million in 2006 dollars.

Court Services derives its revenues from the payment of fines. In that respect, it has the ability to fund its operations and would be a viable tenant in a new North Market building. Since Old City Hall is shared by the Province for its provincial courts, there is also an opportunity for the space that is vacated by Court Services to be leased to the Province. Court Services staff is currently in discussions with staff from the Ministry of the Attorney General to identify the Province's interest with respect to occupying that space. A preliminary expression of interest has been received from the Ministry of the Attorney General.

With respect to the financial viability of the parking garage, the Traffic Impact Study conducted by iTrans found that there were approximately 4,000 parking spaces, both publicly and privately owned within 300 metres of the North Market site. According to the data collected, overall parking demand is approaching existing supply. As such, this new parking garage will provide additional parking choice for North Market and South Market patrons. The location of Court Services in a new North Market building has the potential to create significant new demand.

Based on a preliminary analysis, it appears that the proposed project is financially viable. However, further analysis is required. Funding sources and a capital financing strategy will be identified in a subsequent report to Administration Committee and City Council as the parking strategy and other technical and development issues are resolved. This Report recommends that the Chief Corporate Officer provide a business plan and a detailed plan for the redevelopment of the North Market building for the further consideration of Administration Committee in the first quarter of 2007.

Conclusions:

Given the complexity of the issues, the redevelopment of the St. Lawrence Market North building is proceeding at a steady pace. The detailed needs assessment for Court Services and the technical studies related to the parking strategy have resulted in some preliminary conclusions but more work is required.

A preliminary estimate of the capital cost of redeveloping the North Market building and funding sources have been identified. A business plan and a detailed plan for the redevelopment of the North Market building will be submitted to the Chief Financial Officer and Treasurer within the next 3 months so that a Report could be submitted to Administration Committee in the first quarter of 2007.

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List of Attachments:

Attachment 1: St. Lawrence Market North (includes St. Lawrence Hall)

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