



**STAFF REPORT  
ACTION REQUIRED**

**Expiration of Parking Lease with Tartu College at City-owned 9 Madison Ave.**

<b>Date:</b>	January 30, 2007
<b>To:</b>	General Government Committee
<b>From:</b>	Chief Corporate Officer
<b>Wards:</b>	Ward 20: Trinity-Spadina
<b>Reference Number:</b>	P:\2007\Internal Services\F&re\ Gg07010F&re – kw/vb (AFS 3998)

**SUMMARY**

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The purpose of this report is to secure authority for documentation regarding the parking lease with Tartu College (Tartu) at City-owned 9 Madison Ave., so that public parking can be provided on the site.

**RECOMMENDATIONS**

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**The Chief Corporate Officer recommends that:**

1. Council authorize an agreement which would allow for public parking at 9 Madison Ave. while, if possible, accommodating Tartu College’s parking needs, on terms and conditions satisfactory to the Chief Corporate Officer in consultation with the Toronto Parking Authority, including that the lease will terminate if Tartu defaults under the agreement, and in a form satisfactory to the City Solicitor;
2. Council authorize the Chief Corporate Officer, or the Director of Real Estate Services, to approve revisions to the relevant leasing documentation, including amending all or part of the lease and extending or rescinding termination in whole or in part, on such terms and conditions (including any new terms) as are satisfactory to the Chief Corporate Officer, and in a form satisfactory to the City Solicitor;
3. Council authorize the Chief Corporate Officer, or the Director of Real Estate Services, to proceed with termination of the lease for the municipal purpose of

- providing public parking, in the event that an agreement, satisfactory to the Chief Corporate Officer in consultation with the Toronto Parking Authority, to allow for both public parking and Tartu’s needs, cannot be reached;
4. Council grant authority for Tartu to have access over a portion (location on site to be determined) of 9 Madison Ave. to reach Tartu’s surface parking on its site, in the event Tartu ceases to have leasehold rights; and
  5. Council authorize the Chief Corporate Officer, or his or her designate, to approve and deliver any documentation required to give effect to the foregoing.

**Financial Impact**

The net income projected by the Toronto Parking Authority for operating a public parking lot on the site is shown in table below (two alternatives are shown based on the potential design of traffic flow – the most feasible design will be selected):

	One-way Traffic	Two-way Traffic
Annual Revenue	\$90,000	\$130,000
Annual Expenses	\$30,000	\$30,000
Net Income	\$60,000	\$100,000

Under the Umbrella Agreement with the Toronto Parking Authority, the City will receive 75% of the projected net income (\$45,000 to \$75,000 annually). The existing rental income from the parking lease with Tartu is \$25,164 per year.

Should an arrangement be reached with Tartu to accommodate its parking and access needs, the projected revenue will need to be revised accordingly.

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

**DECISION HISTORY**

The City (formerly The Municipality of Metropolitan Toronto) authorized leasing the property at 9 Madison Ave. to Tartu by Report No. 3(27) of the Executive Committee adopted by Council on January 23, 1968 and by Report No. 39(17) of the Executive Committee adopted by Council on August 30, 1968 for a period to expire on Oct. 14, 1999, with a right to the Tenant to renew the lease for another 31 year term, expiring on Oct. 15, 2030.

Council, in adopting, as amended, the 2006 Budget contained in Clause No. 1 of Policy and Finance Committee Report No. 2, at its meeting held on March 29 and 30, 2006, included revenue in the budget for the Toronto Parking Authority from operating a public parking lot on the leased premises.

## **ISSUE BACKGROUND**

The City leases its property located at 9 Madison Avenue to a neighbouring owner, Tartu College, for parking use by Tartu's residents and visitors. The Toronto Parking Authority has made a request to operate a public parking lot on the leased site, and revenue from such proposed use was included in the Toronto Parking Authority's 2006 budget.

## **COMMENTS**

The leased premises, owned by the City, is approximately 12,057 square feet of vacant land containing 38 parking spaces. It is close to the intersection of Bloor Street and Spadina Road, close to the Spadina subway station, and at the rear of the property owned by Tartu College, located at 310 Bloor Street, operated as a student residence.

Since October 15<sup>th</sup>, 1968, the City has been leasing the premises to Tartu, solely for parking use for Tartu's residents and visitors. Tartu exercised its right to renew the lease for a second term of 31 years in 1999, such that the lease now expires on Oct. 14<sup>th</sup>, 2030. Tartu currently pays \$2,097.00 per month net as rent, together with all taxes. The rent and realty taxes are paid by the tenant and are up to date. The lease provides that the Landlord may terminate the Lease on 6 months written notice to the tenant "if the lands or any part thereof are at any time required for municipal purposes, of which the Council of the Lessor shall be the sole judge".

At Tartu's request (at least in part due to certain parking requirements imposed on it by the Committee of Adjustment), City staff have undertaken discussions with Tartu with a view to determine whether Tartu's parking needs can be accommodated, while also providing public parking on the site.

The parties are discussing an arrangement whereby Tartu will attempt to have its planning requirements revised so that parking on 9 Madison Ave. will no longer be required, so that the lease may come to a conclusion or be amended to allow for the TPA to provide public parking on the site, and Tartu's parking and access needs be accommodated by agreements between Tartu, the TPA and/or the City.

It is recommended that staff continue those discussions and, if successful, implementing documentation be executed. If those discussions do not result in the proposed arrangement, then steps will be taken to proceed with lease termination to allow for public parking at the site.

## **CONTACT**

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## **SIGNATURE**

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Bruce Bowes, P. Eng.,  
Chief Corporate Officer

## **ATTACHMENTS**

Appendix 1, Location Plan  
Appendix 2, Site Plan