



STAFF REPORT ACTION REQUIRED

Acquisition and Partial Disposition of 250 Manning Avenue

Date:	February 24 th , 2010
To:	Government Management Committee
From:	President, Toronto Parking Authority
Wards:	Ward 19 – Trinity – Spadina
Reference Number:	TPA File No. 1249-00

SUMMARY

The Toronto Parking Authority (the “TPA”) proposes to purchase 250 Manning Avenue (the “Property”) from the Toronto Catholic District School Board (the “TCDSB”) in order to establish a municipal parking facility with approximately 40 spaces (see attached Site Location Map and Aerial Photo and Assessment Parcel Map for 250 Manning Avenue). Since the size of the Property exceeds TPA’s requirements, the TPA issued a Request for Proposals (“RFP”) in order to sell the northern portion of the Property (the “Development Lands”). Proposals have been submitted, and a successful bidder is expected to be selected shortly. The TPA will enter into a conditional Purchase and Sale Agreement (“PSA”) with the successful proponent (the “Purchaser”).

The purpose of this report is to obtain City Council’s approval to purchase 250 Manning Avenue, for the City to retain the southern portion of the Property (the “Retained Lands”) which will be redeveloped by the TPA to provide a new municipal parking facility, and approval in principle to sell the Development Lands to the Purchaser. Once the PSA is signed, a supplementary report will be submitted with more information about the Purchaser and proposed deal.

This acquisition will help alleviate a shortfall in public parking within the area and continue to service the short term parking needs of the community.

RECOMMENDATIONS

The Toronto Parking Authority recommends that:

1. Subject to City Council's approval of Recommendation #2, City Council authorize the acquisition of 250 Manning Avenue from the Toronto Catholic District School Board for a purchase price of \$6.500 million plus the expenditure of an additional \$440,000 for the demolition, construction and associated costs such as land transfer tax, survey, environmental studies, and legal fees relating to the development of the municipal parking facility;
2. City Council approve in principle the sale of the northern portion of the Property, being the Development Lands declared surplus to the City's needs, for fair market value, provided that the TPA submits a supplementary report identifying the Purchaser and key business terms of the proposed sale by March 11, 2010;
3. City Council approve the reallocation of funds in the TPA's 2010 Approved Capital Budget of \$2.440 million from account Queen/Soho (CPK167-01) to Bathurst/College (Little Italy CPK169-01);
4. Upon acquisition, the Retained Lands be designated for municipal parking purposes, to be managed by the TPA;
5. The City Solicitor be authorized to complete the purchase and sale transactions, deliver any notices, pay any expenses and amend the closing and other dates to such earlier or later date(s), on such terms and conditions, as she may, from time to time, determine; and
6. The appropriate City Officials be authorized to take the actions necessary to give effect thereto.

FINANCIAL IMPACT

Capital funds were approved in the 2010 Capital Budget for Bathurst/College-Little Italy (CPK169-01) of \$4.500 million. Additional funds of \$2.440 million are required to complete this project. The additional funding will be reallocated from account Queen/Soho (CPK167-01). The TPA will assess the funding requirements for the Queen/Soho project as part of the 2011 Capital Budget process. The total allocated capital funds include the additional expenditure of \$440,000 for the demolition, construction and associated costs such as land transfer tax, survey, environmental studies, and legal fees relating to the development of the municipal parking facility.

In order to mitigate against the financial risk of acquiring the entire subject property, the TPA issued an RFP for the Sale of the Development Lands. The TPA expects to enter into a conditional PSA with the successful proponent (the "Purchaser") shortly. The PSA will require the Purchaser to waive all their conditions prior to the TPA waiving its conditions with TCDSB. The Development Lands sales transaction will be a recovery against the TPA's total acquisition cost of the Property.

The property purchase will be funded through TPA revenues. The operating and maintenance costs associated with this facility will not affect the 2010 Operating Budget.

We have retained the services of an independent appraisal firm to determine the fair market value ("FMV") for the Property. According to the appraisal report, the TPA purchase price for the Property and the sale price to be achieved on the sale of the Development Lands are considered fair, reasonable and reflective of fair market value.

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

DECISION HISTORY

The TCDSB declared a property they own located at 250 Manning Avenue (formerly St. Francis of Assisi Catholic School) as surplus to their needs pursuant to Section 194 (3) of the Education Act. The TCDSB circulated the Property in June 2009 under a proposal for sale and / or lease at FMV, subject to the requirements of Ontario Regulation 444/98. The TCDSB would only consider offers to purchase the entire property. The TPA's offer, accepted by the TCDSB, is subject to certain conditions, including receiving approvals from both the TPA Board of Directors and City Council.

At its meeting of February 16th, 2010 (Minute #10-020), the TPA Board of Directors approved the PSA with TCDSB for the acquisition of the Property subject to securing a sale at FMV of the Development Lands through an RFP process.

At its meeting of February 24th, 2010, pursuant to the delegated authority contained in Government Management Committee Item GM6.18, By-law No. 814-2007, Property Management Committee approved the declaration of surplus of the northern portion of 250 Manning Avenue, subject to the City acquiring the Property from the TCDSB.

At its meeting of March 11th, 2010, the TPA Board of Directors will be asked to approve a sales transaction between the TPA and the successful bidder in the RFP process involving the northern portion of the Property, i.e. the Development Lands.

ISSUE BACKGROUND

Over the last number of years, the TPA has identified this central-west Toronto neighbourhood known as Little Italy as having a significant parking shortfall and has been trying to acquire a suitable additional location to address the shortfall. The Property exceeds the size of lot the TPA wanted, but TCDSB would only consider offers for the entire property, so the only means of the TPA securing a parking presence within the area was to submit an offer for the entire Property. The City will retain the southern portion of the Property (the "Retained Lands") which will be redeveloped by the TPA in order to establish a new municipal parking facility with approximately 40 spaces that will be operated as a Pay and Display type operation. This acquisition will help alleviate a shortfall in public parking within the area and continue to service the short term parking needs of the community.

The TPA has met with the local area Councillor and he is supportive of this property acquisition as a means to secure public parking for the immediate neighbourhood.

COMMENTS

Site Location and Particulars

The Property, 250 Manning Avenue, is located close to the intersection of Dundas St W and Bathurst St (see attached Location Map and Survey) and is comprised of approximately 1.3 acres (58,797 sq.ft. or 5,462 sq.m.). The Property has a generally rectangular configuration spanning the width of an entire block between Claremont St (western limit) and Manning Ave (eastern limit). The Property has a frontage of approximately 153.6 metres (504.0 feet) along Manning Ave, a one way arterial roadway traveling south towards Dundas St, and a frontage of 140.3 metres (460.1 feet) along Claremont St, a one way arterial roadway traveling north from Dundas St.

The Property is bordered to the north, east and west by low density residential uses characterized mainly by semi-detached and detached residential homes as well as low rise apartment developments. To the south, the Property is bordered by a mix of low density residential uses along the adjacent road frontages while retail uses are predominantly found a short distance further south fronting Dundas St.

The Property, formerly the location of the Toronto Catholic District School Board's St. Francis of Assisi Catholic School, is improved with a three storey structure on the northern portion of the site while an existing surface parking facility is located on the southern portion.

The TPA intends that the southern portion of the Property, the Retained Lands, of 0.29 acres (12,917 sq.ft. or 1,200 sq.m.) be retained in order to establish a municipal parking facility with approximately 40 spaces while the northern portion of the Property, the Development Lands of 1.01 acres (45,880 sq.ft. or 4,262 sq.m.), being surplus to the needs of the City and TPA, be sold to the successful bidder from the RFP process. It is expected that the Development Lands will be able to accommodate approximately 30 - 40 residential townhouse units.

Summary of Purchase and Sale Agreement – 250 Manning Avenue

Summarized below are the basic terms and conditions of the APS for 250 Manning Avenue:

1. Purchaser – Toronto Parking Authority;
2. Vendor – Toronto Catholic District School Board;
3. Purchase Price – \$6.50 million;
4. Deposits - \$200,000 was paid in trust;
5. Purchaser's Conditions – The TPA has until April 8th, 2010 to waive all of its conditions, which include obtaining TPA Board and City approval of the proposed transaction, and acceptable results of due diligence investigations, including environmental reports; and
6. Closing – April 30th, 2010.

Request for Proposal (RFP)

At its meeting of February 16th, 2010 (Minute #10-20), the TPA Board of Directors approved the PSA for the acquisition of the Property with TCDSB subject to securing a sale at FMV of the Development Lands through an RFP process.

The TPA issued an RFP to three qualified developers to sell the Development Lands for FMV, each of whom responded with a proposal. Each proposal was evaluated on, among other criteria, the consideration offered for the Development Lands, the prospective Purchaser's ability to complete the transaction, the quality and reasonableness of the proposed development and the proposed conditions of closing. The TPA is currently completing the RFP and will negotiate a conditional PSA with the successful bidder. A report identifying the Purchaser and providing information on the key business terms will follow as soon as the PSA has been finalized, no later than March 11, 2010.

Financial Analysis and Conclusion

Upon completion of the acquisition of the Property, the sale of the Development Lands, and the construction of the new parking facility on the Retained Lands, the total net development cost to the TPA of creating this added parking is estimated to range from \$1.6 to \$1.8 million. The resulting internal rate of return (IRR) based on a projected 20-year cash flow meets and well exceeds the TPA's usual minimum required IRR of 5%. The Toronto Parking Authority has been looking for suitable sites to accommodate the high demand for parking in the area. The creation of this facility will provide additional parking for this area to better service the parking needs of the community at an appropriate cost and IRR to the TPA.

CONTACT

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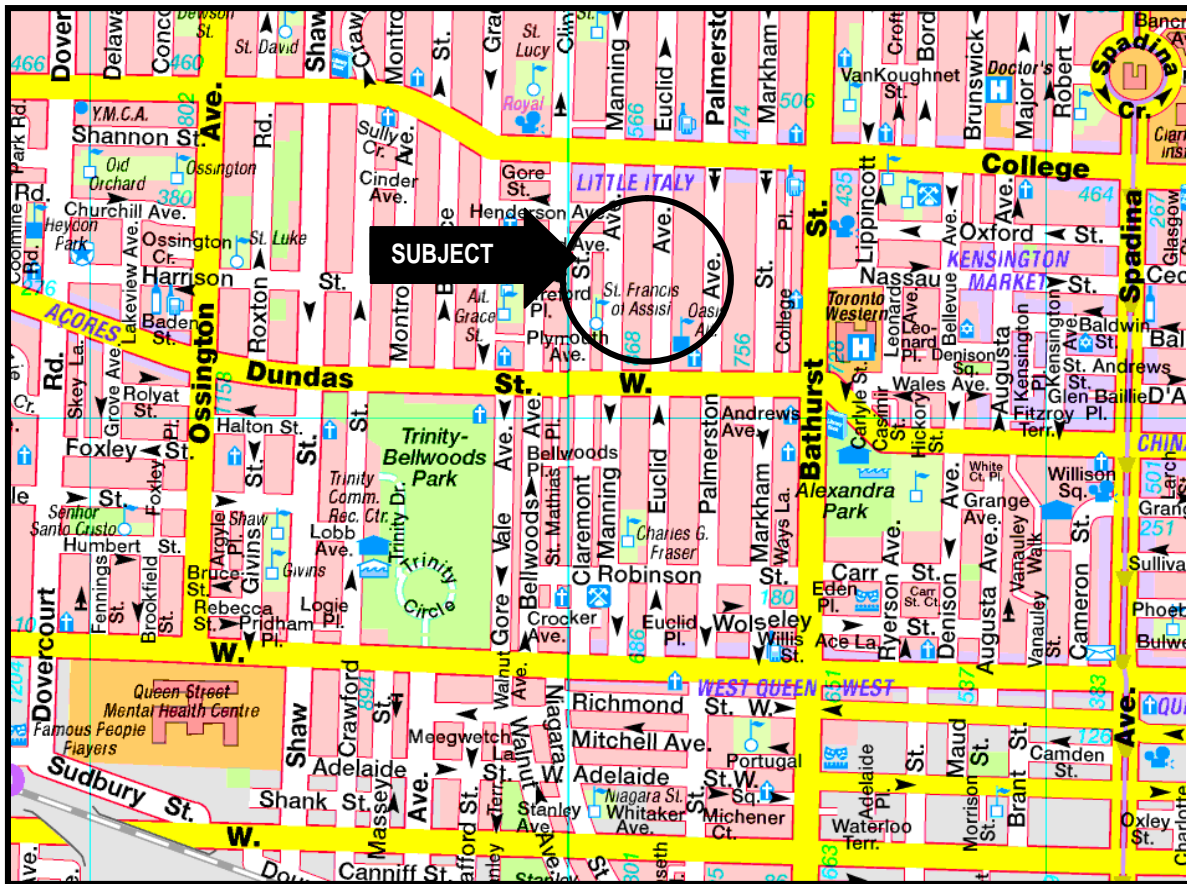
SIGNATURE

Gwyn Thomas, President

ATTACHMENTS

Site Location Map
Aerial Photo and Assessment Parcel Map – 250 Manning Avenue
Aerial Photo and Property Data Map – Development Lands

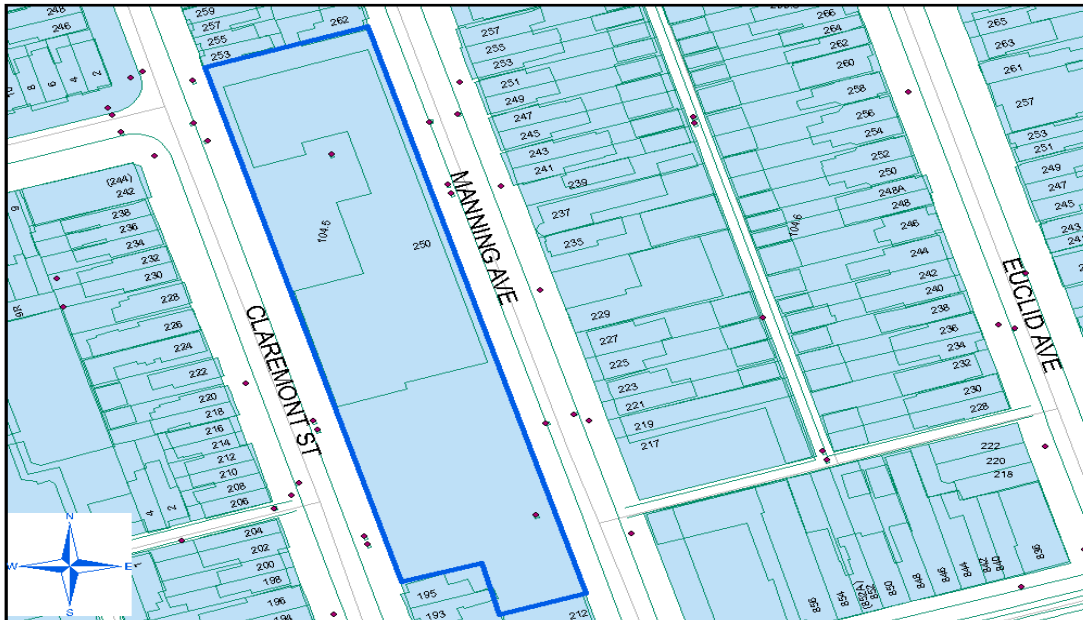
Site Location Map



Aerial Photo – 250 Manning Avenue



St. Francis of Assisi Ortho Site Plan (2002 Image)



St. Francis of Assisi Assessment Parcel Map (2002 Image)

Aerial Photo – Development Lands

