

**STAFF REPORT
ACTION REQUIRED**



Acquisition of 186 Caribou Road and Easement Agreement with Owner of 3011 - 3019 Bathurst Street

Date:	March 21, 2014
To:	Government Management Committee
From:	President, Toronto Parking Authority
Wards:	Ward 16 Eglinton - Lawrence
Reference Number:	TPA File No. 1550-00

SUMMARY

The purpose of this report is to obtain the Council's authorization to (i) purchase the property municipally known as 186 Caribou Road; and (ii) enter into an Easement Agreement with the abutting property owner in order to construct and operate a 24 space surface parking facility.

RECOMMENDATIONS

The Toronto Parking Authority recommends that:

1. Subject to Council's approval of Recommendation #2, Council authorize the acquisition of the property known municipally as 186 Caribou Road (the "Property") on the terms and conditions contained in Schedule "A" attached hereto and on such other or further terms and conditions as may be approved by the President, Toronto Parking Authority ("TPA") in consultation with the Chief Corporate Officer.
2. Council authorize the creation of an easement over the easterly nine (9) feet of the lands known municipally as 3011-3019 Bathurst Street (the "Easement Lands") as shown cross-hatched on the Site Location Map attached hereto and on terms and conditions contained in Schedule "A" attached hereto and on such other or further terms as may be approved by the President, TPA in consultation with the Chief Corporate Officer and in a form satisfactory to the City Solicitor.

3. Council approve reallocation of capital funds provided in the 2014 Capital Budget from the Nesbitt Lodge Lot CP 17 project (Captor Number TPA907964 and SAP Number CPK252) to the Avenue/North of Lawrence project (Captor Number TPA907610), in the amount of \$1,500,000 in order to facilitate the acquisition of the necessary lands and the construction of the parking facility and reflect the Revised Capital Plan as detailed in Table 1 of this report.
4. Upon acquisition, the Property and Easement Lands be designated for municipal parking purposes, to be managed by the TPA.
5. The City Solicitor be authorized to complete the purchase transaction and easement agreement, 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.

FINANCIAL IMPACT

Capital funds have been identified in the 2014 Capital Budget. The 2014 Capital Budget for the Nesbitt Lodge CP 17 project (Captor Number TPA907964 and SAP Number CPK252) will be reduced by \$1,500,000 in order to fund the cost of acquisition and development of the Avenue/North of Lawrence project (Captor Number TPA907610). The revised cash flow plan for the two projects would be as follows in Table 1:

\$000s	2014	2015	2016	2017	2018	...	2023	Total
Total Council Approved	2,100						2,500	4,600
TPA907964	(1,500)				1,500		0	0
TPA907610	1,500						(1,500)	0
Total Change	0	0	0	0	1,500	0	(1,500)	0
Revised Plan	2,100	0	0	0	1,500	0	1,000	4,600

Table 1

The construction component of the Avenue/North of Lawrence project including demolition are estimated to be no more than \$356,000 and are included in the 2014 cash flow of \$1.5 million. The purchase of the Property will be funded through TPA revenues. The operating and maintenance costs associated with this facility will be accommodated within TPA's 2014 Operating Budget.

The easement to be acquired from the owner of the lands abutting the Property will have minimal financial implications as an annual easement fee of \$500 has been negotiated with the owner. The TPA will be solely responsible for the cost of all improvements to the Easement Lands that will form part of the new surface parking facility including any on-going maintenance and repairs.

The TPA has retained the services of an independent appraisal firm which has reported that the purchase price to be paid for the Property, being the sum of \$1,100,000, is reasonable and reflective of fair market value.

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

DECISION HISTORY

The Property was acquired by the current owner in 2008. The Property was subsequently subdivided into two separate land parcels (188 and 190 Caribou Road). The TPA has entered into an Agreement of Purchase and Sale for the Property with the owner which is subject to certain conditions, including receiving approvals from both the TPA Board of Directors and City Council.

At its meeting of February 27, 2014, the TPA Board of Directors approved acquisition of the Property and Easement Lands on the terms outlined herein (*TPA Board Minute No.: 14-025*).

ISSUE BACKGROUND

The TPA has identified this central-west Toronto neighbourhood as having a parking shortfall and has been trying to acquire a suitable location to address it. Development of the Property and Easement Lands into a public parking facility will result in a site capable of accommodating approximately 24 surface spaces (see attached *Appendix 'A' - Proposed Carpark Development Plan (186 Caribou Road and Portion of 3011 to 3019 Bathurst Street)*).

COMMENTS

Site Location and Particulars

The Property is positioned on the north side of Caribou Road approximately 60 meters east of Bathurst Street (see attached *Site Location Map*) and is located within a busy commercial/residential neighbourhood known as the Lawrence Manor residential neighbourhood. A private school is positioned immediately to the north of the Property while residential uses predominate to the east and south; a mix of neighbourhood storefront and strip retail uses coupled with higher density residential uses front Bathurst Street to the west. Immediately adjacent and to the west of the Property is a recently opened supermarket (3011 to 3019 Bathurst Street) which forms part of a two storey strip retail mall fronting Bathurst Street offering surface parking in the front yard along with a service area in the rear (see attached *Appendix 'B' – Neighbourhood Aerial Photograph*).

The immediate area is going through a transformation as a result of new businesses moving into the neighbourhood and TPA Staff anticipate that the existing neighbourhood will continue to transition and parking usage will continue to intensify. The development of a public parking facility at this location will help satisfy the anticipated increased parking needs within the area and will assist many of the surrounding businesses including the adjacent strip retail mall.

Financial Analysis and Conclusion

Upon the acquisition of the Property and Easement Lands and the construction of the new parking facility, the total development cost to TPA to create this additional parking is estimated at \$1.5 million. Based on TPA's estimate of growth in transient parking demand over the next few years, the resulting internal rate of return (IRR) based on a projected 20-year cash flow meets TPA's usual minimum required IRR of 5%. The financial analysis supports the acquisition price of \$1.1 million and the construction costs required to build the surface parking lot.

The TPA has been looking for suitable sites to accommodate the demand for parking in the area. The creation of this facility will provide additional parking for this growth neighbourhood to better service the parking needs of the community at an appropriate cost and IRR to the TPA.

CONTACT

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SIGNATURE

Lorne Persiko, President

ATTACHMENTS

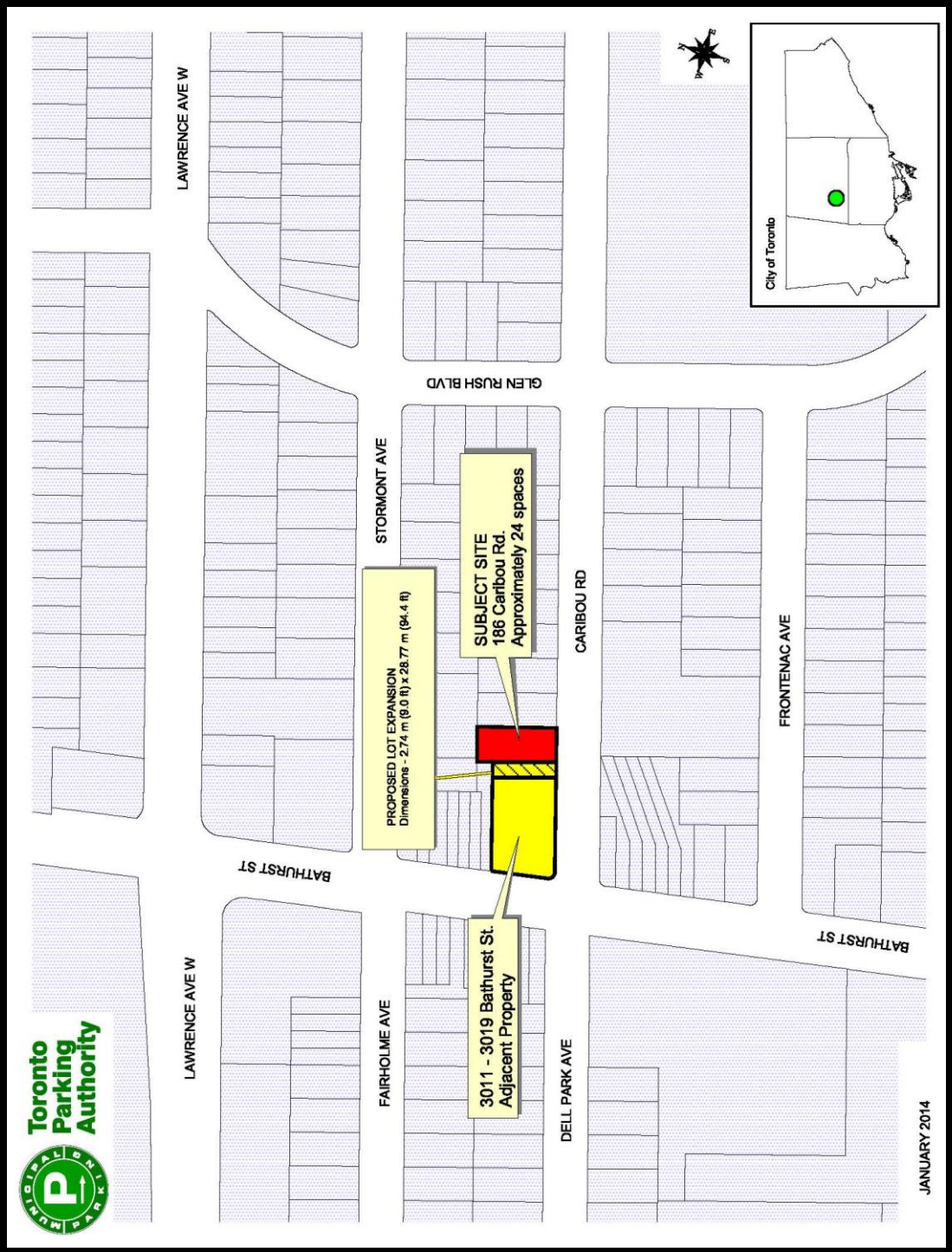
Site Location Map

Schedule 'A' Summary of APS (*186 Caribou Road*) and Easement Agreement (*Portion of 3011-3019 Bathurst Street*)

Appendix 'A' Proposed Carpark Development Plan (*186 Caribou Road and Portion of 3011 to 3019 Bathurst Street*)

Appendix 'B' Neighbourhood Aerial Photograph

Site Location Map



Schedule "A"

Summary of Agreement of Purchase and Sale – 186 Caribou Road

1. Purchaser – Toronto Parking Authority / registered owner to be City of Toronto
2. Vendor – Steve Newman
3. Purchase Price – \$1.1 million
4. Deposit - \$50,000
5. Site Dimensions – 51.0 feet (15.5 meters) x 117.0 feet (35.7 meters) / 5,967 square feet (554 square meters)
6. Purchaser's Conditions –obtaining TPA Board and City Council approval of the proposed transaction, and acceptable results of due diligence investigations, including environmental reports
7. Closing – to be determined

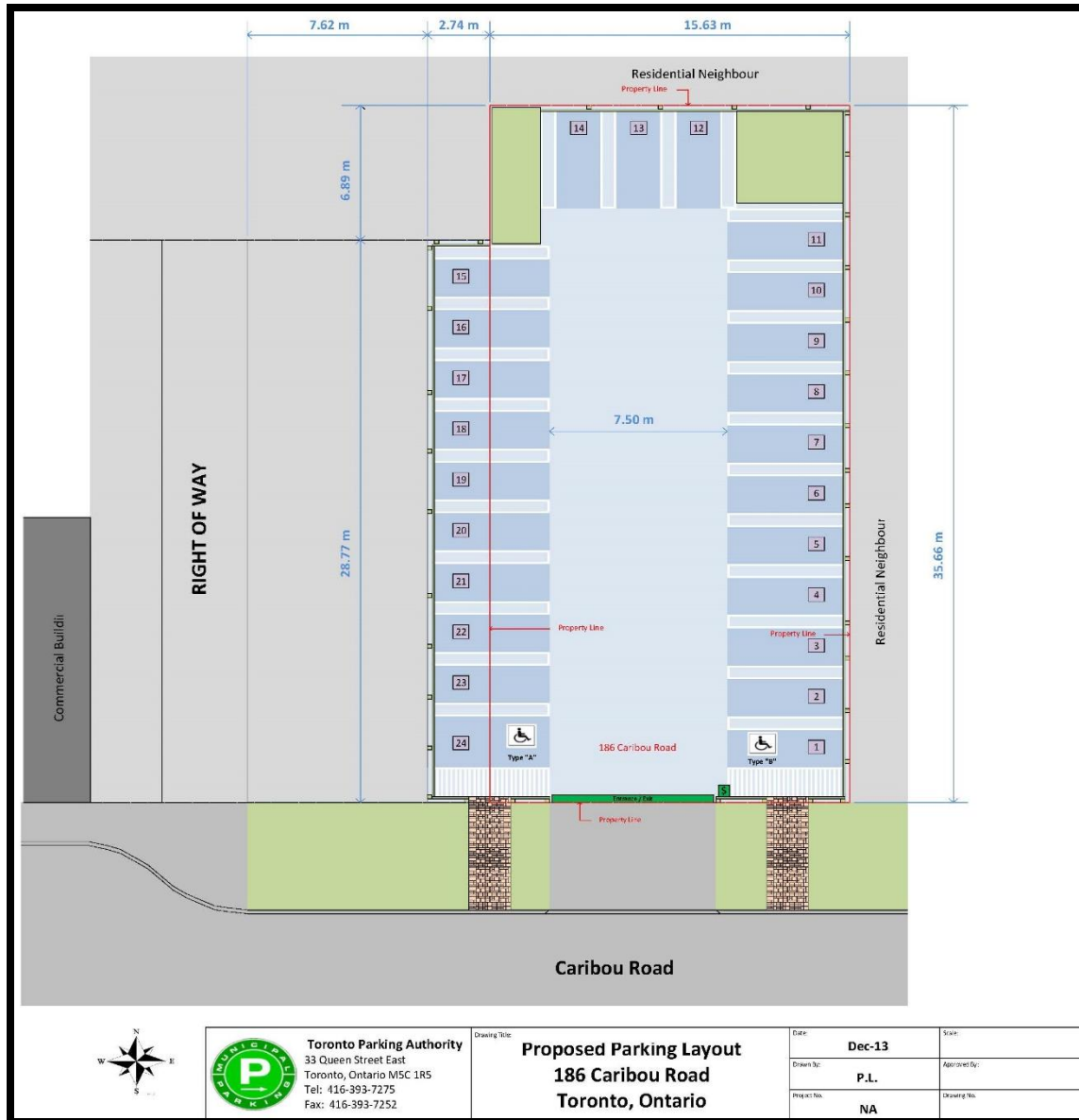
Summary of Easement Agreement – Portion of 3011- 3019 Bathurst Street

1. Grantor – 2367033 Ontario Inc.
2. Grantee – Toronto Parking Authority /registered grantee to be City of Toronto
3. Easement Fee – \$500 annually
4. Easement Dimensions – 9.0 feet (2.7 meters) x 94.4 feet (28.8 meters) / 849.6 square feet (77.8 square meters)
5. Easement Conditions – The easement will be registered on title and will continue in force for so long as the surface parking facility located on the Property continues to operate as a public parking lot

Appendix 'A'

Proposed Carpark Development Plan

(186 Caribou Road and Portion of 3011 to 3019 Bathurst Street)



Appendix 'B'

Neighbourhood Aerial Photograph

