

**STAFF REPORT
ACTION REQUIRED**



Acquisition of 601 Caledonia Road

Date:	May 29, 2015
To:	Government Management Committee
From:	President, Toronto Parking Authority
Wards:	Ward 15 Eglinton – Lawrence
Reference Number:	TPA File No. 1548-00

SUMMARY

The purpose of this report is to obtain Council's authorization to purchase the property municipally known as 601 Caledonia Road from the owner, Thai Van Nguyen and Thi Thuy Lan Le. The lands associated with this property will be combined with lands which the TPA acquired in 2014 at 2204 / 2212 Eglinton Avenue West in order to construct and operate a surface parking facility having 25 spaces in order to service the short term parking needs of the surrounding York-Eglinton BIA neighbourhood.

RECOMMENDATIONS

The Toronto Parking Authority recommends that:

1. Council authorize the acquisition by the City of the property known municipally as 601 Caledonia Road (the "Property") from Thai Van Nguyen and Thi Thuy Lan Le (the "Vendor") for the purchase price of \$600,000 and substantially on the terms and conditions contained in Appendix 'A' attached hereto plus the additional expenditure of approximately \$360,000 for construction and associated costs such as land transfer tax, appraisal fees, survey, environmental studies, legal and brokerage fees for a total acquisition cost estimate of \$960,000;
2. Upon acquisition, the Property be designated for municipal parking purposes, to be managed by the Toronto Parking Authority (the "TPA"); and
3. The City Solicitor be authorized to complete the purchase transaction, 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

The 2015 Approved Capital Budget and 2016-2024 Approved Capital Plan includes an allocation of \$5,000,000 in funding for new carpark provisions in 2015 in order to accommodate unbudgeted property acquisitions or accelerate already planned acquisitions should opportunities arise (Project: TPA908090 Carpark Provisions 2015).

Funding is available in account CPK264-01 for the cost of acquisition and capital improvements required for the carpark at 601 Caledonia Road estimated at \$960,000. The acquisition is expected to close in August 2015.

The TPA has retained the services of an independent accredited appraisal firm which has reported that the purchase price to be paid for the Property, being the sum of \$600,000, is reasonable and reflective of fair market value.

The operating and maintenance costs associated with this facility will be included in the 2016 Operating Budget Submission.

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

DECISION HISTORY

The TPA has entered into an Agreement of Purchase and Sale for the Property with the Vendor which is subject to certain conditions, including receiving approvals from both the TPA Board of Directors and City Council.

At its meeting of May 28, 2015, the TPA Board of Directors approved acquisition of the Property on the terms outlined herein (*TPA In Camera Agenda Item No.: 5.7*).

ISSUE BACKGROUND

Due to the construction of the Eglinton Light Rapid Transit (“Eglinton LRT”) line, the TPA is actively pursuing new acquisition opportunities to help off-set any anticipated losses of on-street parking spaces along Eglinton Avenue over the next 5 years. TPA staff is also looking for suitable sites that would accommodate the longer term demand for public parking in the area.

In 2014, the TPA acquired 2204 / 2212 Eglinton Avenue West in order to assist in satisfying these requirements. The project is currently proceeding through the design and site plan approval process. The acquisition of the Property which abuts a portion of 2204 / 2212 Eglinton Avenue to the south will provide improved access as well as enhanced visibility to the new carpark from Caledonia Road. The TPA’s offer to purchase the Property was accepted on April 21, 2015.

Development of the Property in tandem with 2204 / 2212 Eglinton Avenue West into a public parking facility will result in a site capable of accommodating approximately 25 surface parking spaces to be operated as a ‘Pay and Display’ type operation (see attached

COMMENTS

Site Location and Particulars

The Property which is positioned on the east side of Caledonia Road, is the second property north of Eglinton Avenue West (see attached *Site Location Map*). Located within the York-Eglinton BIA neighbourhood, the Property benefits from good access to the Allen Road Expressway to the east and public transit with bus service available along Eglinton Avenue which links to Eglinton West and Eglinton Subway Stations on the Downsview-Union-Finch subway line.

The immediate area is largely comprised of residential uses to the north and to the east while mixed use commercial-residential uses are found fronting Eglinton Avenue West to the south. Larger commercial and industrial uses predominate further to the north. The commercial retail uses fronting Eglinton Avenue West are considered to be aging and provide high future redevelopment potential.

The site measures approximately 25 feet (7.6 meters) by 112.8 feet (34.4 meters) and is improved with a single storey detached house with a detached garage (see attached *Appendix 'C' - Photos of Property*). The Property will be delivered vacant at closing.

Re-Development

The Property, originally zoned for residential use only, has been rezoned under Zoning By-law No. 1030-2014 to mixed use "Commercial-Residential". The primary purpose for the zoning amendment is to intensify the Eglinton Avenue corridor in support of the Eglinton Crosstown LRT through investment in the area and to simplify the process of developing mid-rise buildings on these properties. The existing zoning supports any future redevelopment of the site in terms of a standalone surface parking facility or as part of a more significant redevelopment plan.

The Property lies within a good area for future mixed-use residential and commercial development. It is expected that the neighbourhood will undergo a transformation in the next several years as a result of the new Eglinton LRT line and more particularly the proximity to the proposed station located two blocks to the west at Croham Road (see attached *Appendix 'D' – Neighbourhood Aerial Photograph*).

Parking Supply and Demand

This acquisition combined with the site at 2204 / 2212 Eglinton Avenue West will help to offset the anticipated loss of on-street parking spaces as a result of the Eglinton LRT line. The new lot is expected to experience modest usage levels during the week with somewhat stronger levels of usage and turnover on weekend days, particularly in the summer months. Overall, parking demand within the area is forecast to continue to intensify over the medium term. The addition of the Property to that of the redevelopment of 2204 / 2212 Eglinton Avenue West will provide improved access as

well as enhanced visibility to the new carpark from Caledonia Road which will result in a stronger operational performance for the lot.

Financial Analysis and Conclusion

Based on TPA's estimate of transient parker demand over the next few years, the new lot will generate sufficient returns to support the contract purchase price for the Property which includes the acquisition of 2204 / 2212 Eglinton Avenue West and the construction costs required to build the surface parking lot on the combined lands which totals \$2.74 million. The resulting internal rate of return (IRR) based on a projected 20-year cash flow meets TPA's usual minimum required IRR of 5.0%. The financial analysis supports the purchase price of the Property 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

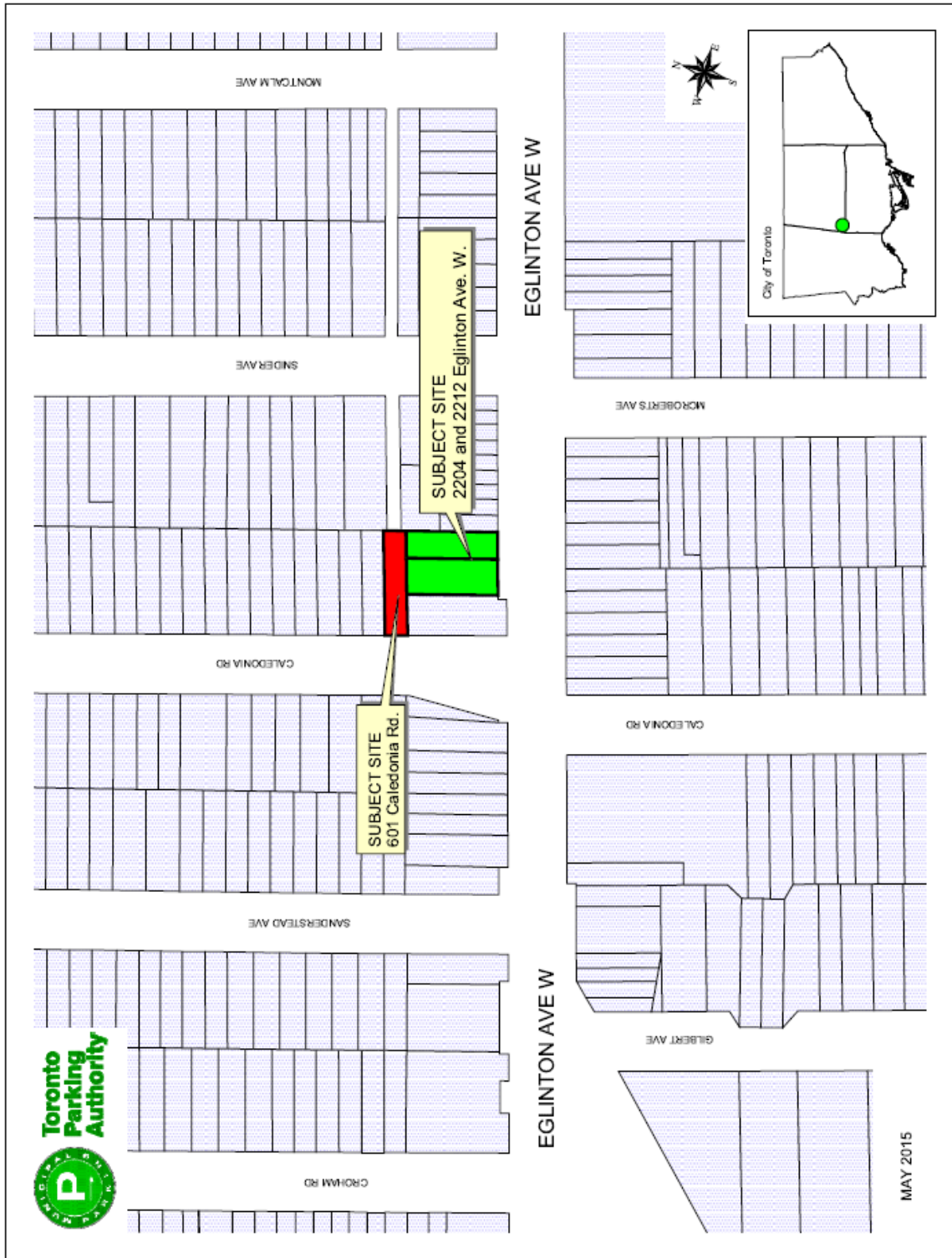
Appendix 'A' Summary of Agreement of Purchase and Sale for the Acquisition of 601 Caledonia Road

Appendix 'B' Proposed Carpark Development Plan (*601 Caledonia Road and 2204 / 2212 Eglinton Avenue West*)

Appendix 'C' Photos of Property

Appendix 'D' Location of Eglinton LRT Caledonia Station

Site Location Map



Appendix 'A'

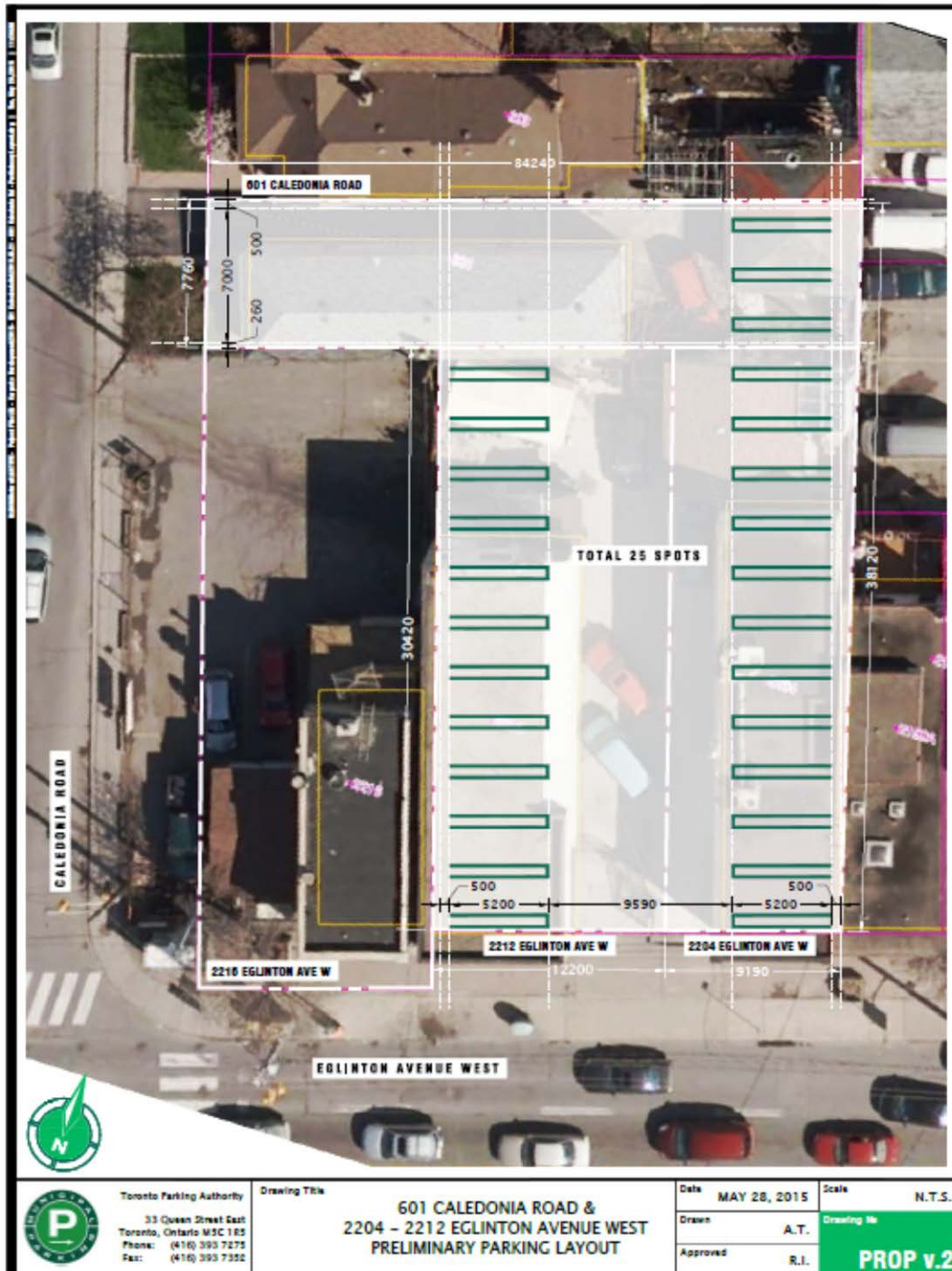
Summary of Agreement of Purchase and Sale for the Acquisition of 601 Caledonia Road

1. Purchaser – Toronto Parking Authority / registered owner to be City of Toronto
2. Vendor – Thai Van Nguyen and Thi Thuy Lan Le
3. Purchase Price – \$600,000
4. Deposit - \$50,000, issued upon acceptance of PSA
5. Site Dimensions / Site Area – 25.0 feet (7.6 meters) x 112.8 feet (34.4 meters) / 2,820.0 square feet (261.4 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. Due Diligence Date – July 15, 2015
8. Closing – July 29, 2015, further extended to August 28, 2015

Appendix 'B'

Proposed Carpark Development Plan

(601 Caledonia Road and 2204 / 2212 Eglinton Avenue West)



Toronto Parking Authority
 33 Queen Street East
 Toronto, Ontario M5C 1E5
 Phone: (416) 393 7275
 Fax: (416) 393 7352

Drawing Title
**601 CALEDONIA ROAD &
 2204 - 2212 EGLINTON AVENUE WEST
 PRELIMINARY PARKING LAYOUT**

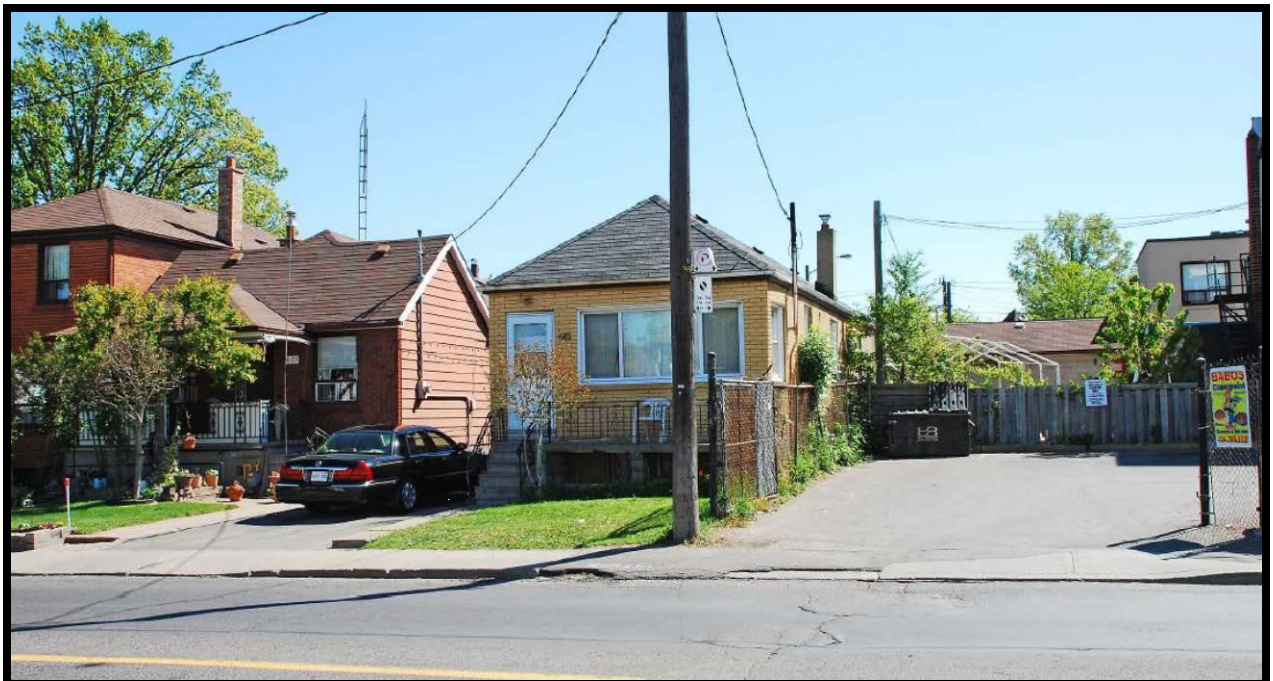
Date **MAY 28, 2015**
 Drawn **A.T.**
 Approved **R.I.**

Scale **N.T.S.**
 Drawing No
PROP v.2

Appendix 'C'
Photos of Property



601 Caledonia Road, Toronto





View North – Caledonia Road



View South – Caledonia Road

Appendix 'D'
Neighbourhood Aerial Photograph

