

**STAFF REPORT
ACTION REQUIRED**



Acquisition of 1220 and 1222 Wilson Avenue

Date:	May 29, 2015
To:	Government Management Committee
From:	President, Toronto Parking Authority
Wards:	Ward 9 York Centre
Reference Number:	TPA File No. 1747-00

SUMMARY

The purpose of this report is to obtain Council's authorization to purchase the property municipally known as 1220 and 1222 Wilson Avenue from the owner, Old Orchard Properties (1222 Wilson Ave.) Inc. in order to construct and operate a surface parking facility having approximately 66 spaces in order to service the short term parking needs of the surrounding Wilson-Keele BIA neighbourhood.

RECOMMENDATIONS

The Toronto Parking Authority recommends that:

1. Council authorize the acquisition by the City of the property known municipally as 1220 and 1222 Wilson Avenue (the "Property") from Old Orchard Properties (1222 Wilson Ave.) Inc. (the "Vendor") for the purchase price of \$2,750,000 and substantially on the terms and conditions contained in Appendix 'A' attached hereto plus the additional expenditure of approximately \$1,100,000 for construction and associated costs such as land transfer tax, appraisal fees, environmental studies, legal fees for a total acquisition cost estimate of \$3,850,000;
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 1220 and 1222 Wilson Avenue estimated at \$3,850,000. The acquisition is expected to close in July 2015.

The TPA will retain the services of an independent accredited appraisal firm to confirm that the purchase price to be paid for the Property, being the sum of \$2,750,000, 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.: 5.6*).

ISSUE BACKGROUND

The TPA has been looking for suitable sites that would accommodate the significantly underserved parking demand in the area as well as longer term needs for public parking within this Wilson-Keele BIA neighbourhood. The purchase of the Property will help satisfy these requirements. The TPA's offer to purchase the Property was accepted on April 16, 2015.

Development of the Property into a public parking facility will result in a site capable of accommodating approximately 66 surface parking spaces to be operated as a 'Pay and Display' type operation (see attached *Appendix 'B' - Proposed Carpark Development Plan (1220 and 1222 Wilson Avenue)*).

COMMENTS

Site Location and Particulars

The Property, located within the Wilson-Keele BIA neighbourhood, is positioned on the north side of Wilson Avenue, a short distance west of Keele Street (see attached *Site Location Map* and *Appendix 'C' - Photos of Property*). The Property benefits from its location directly across the street from the new Humber River Regional Hospital which is

being constructed on the former Ministry of Transportation Downsview lands and is scheduled to open on October 18, 2015. The hospital, which will be North America's first fully digital hospital, will be the largest acute-care hospital in the GTA. The project encompasses a 14-story tower, a separate central utility plant with parking limited to 2,000 parking spaces in two parking structures and some surface parking.

The site is also well positioned with excellent access to Highway 401 to the south, Highway 400 to the west and the Allen Road Expressway to the east. Public transit is available with bus service available along Wilson Avenue which links to Wilson and York Mills Subway Stations on the Downsview-Union-Finch subway line.

The immediate area is characterized as a mature residential community with detached and semi-detached homes while higher density residential uses are found fronting Wilson Avenue. Located immediately adjacent to the Property at 1206 Wilson Avenue is a 5-storey Housing Co-Operative called The Palisades (see attached *Appendix 'D' – Aerial Image of Surrounding Neighbourhood*).

The Property is comprised of two parcels; 1220 Wilson Avenue measures approximately 51 feet (15.5 meters) by 202.7 feet (61.8 meters) and is improved with a single storey detached house with a detached garage; 1222 Wilson Avenue measures approximately 51 feet (15.5 meters) by 210 feet (64.0 meters) and is a vacant land parcel (see attached *Appendix 'E' – Survey of Property*). The Property will be delivered vacant at closing.

Parking Supply and Demand

It is intended use of the Property will be as a surface parking facility capable of accommodating approximately 66 surface spaces to be operated as a 'Pay and Display' type operation (see attached *Appendix 'B' - Proposed Carpark Development Plan (1220 and 1222 Wilson Avenue)*). The operation of the 66-space lot is expected to experience a high level of usage and turnover largely as a result of the property's proximity to the hospital.

Financial Analysis and Conclusion

Based on TPA's estimate of transient parker demand over the next few years primarily due to the demand from the hospital, the new lot will generate sufficient returns to support the purchase price of the Property and the construction costs required to build the surface parking lot which total \$3.85 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 particularly the hospital at an appropriate cost and IRR to the TPA.

CONTACT

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President, Toronto Parking Authority
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lpersiko@toronto.ca

SIGNATURE

Lorne Persiko, President

ATTACHMENTS

Site Location Map

Appendix 'A' Summary of Agreement of Purchase and Sale for the Acquisition of 1220 and 1222 Wilson Avenue

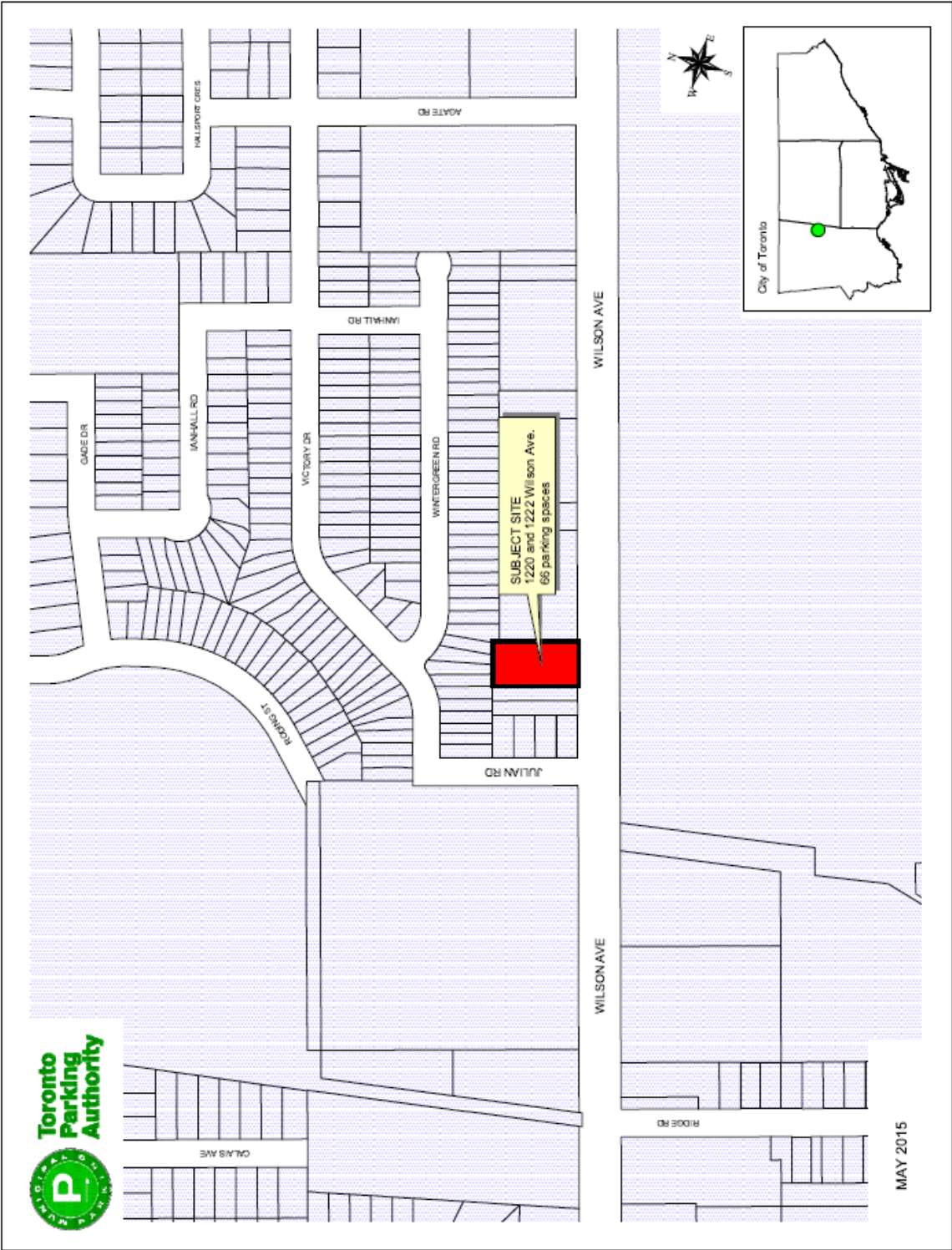
Appendix 'B' Proposed Carpark Development Plan (*1220 and 1222 Wilson Avenue*)

Appendix 'C' Photos of Property

Appendix 'D' Aerial Image of Surrounding Neighbourhood

Appendix 'E' Survey of Property

Site Location Map



Appendix 'A'

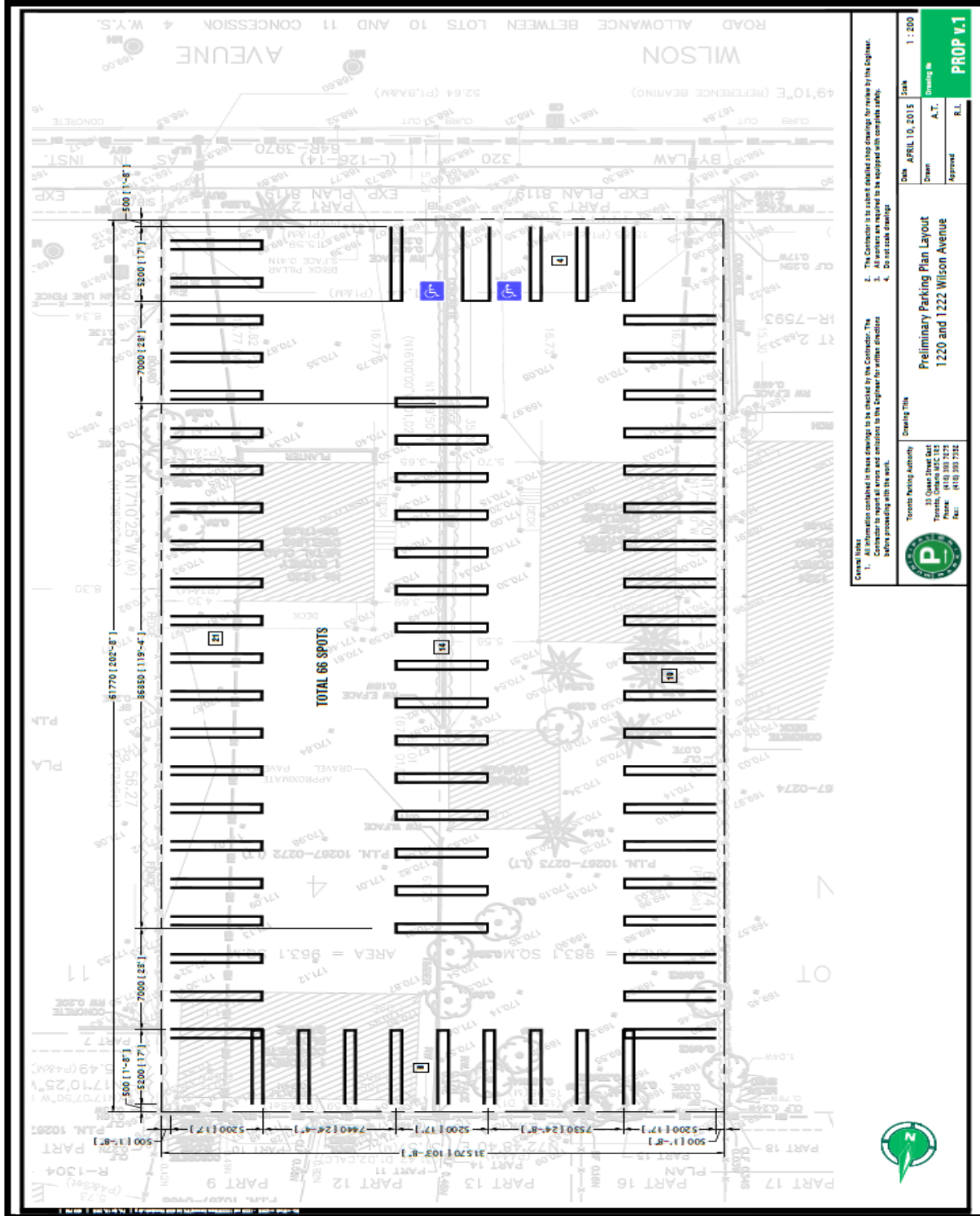
Summary of Agreement of Purchase and Sale for the Acquisition of 1220 and 1222 Wilson Avenue

1. Purchaser – Toronto Parking Authority / registered owner to be City of Toronto
2. Vendor – Old orchard Properties (1222 Wilson Ave.) Inc.
3. Purchase Price – \$2,750,000
4. Deposit - \$50,000, issued upon acceptance of PSA
5. Site Dimensions / Site Area – 51.0 feet (15.5 meters) x 202.7 feet (61.8 meters) / 10,337.7 square feet (957.9 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 30, 2015

Appendix 'B'

Proposed Carpark Development Plan

(1220 and 1222 Wilson Avenue)



General Notes:

- All information contained in these drawings to be checked by the Contractor. The Contractor shall be responsible for any errors or omissions in the drawings for which the Contractor is responsible.
- The Contractor to submit detailed shop drawings for review by the Engineer. The Contractor shall be responsible for any errors or omissions in the shop drawings to be supplied with complete set.
- Do not scale drawings.

Toronto Parking Authority

**35 Queen Street East
Toronto, Ontario M5C 1S2
Phone: (416) 393 7275
Fax: (416) 393 7552**

Scale: 1 : 200

Date: APRIL 10, 2015

Drawing by: A.T.

Approved: R.L.

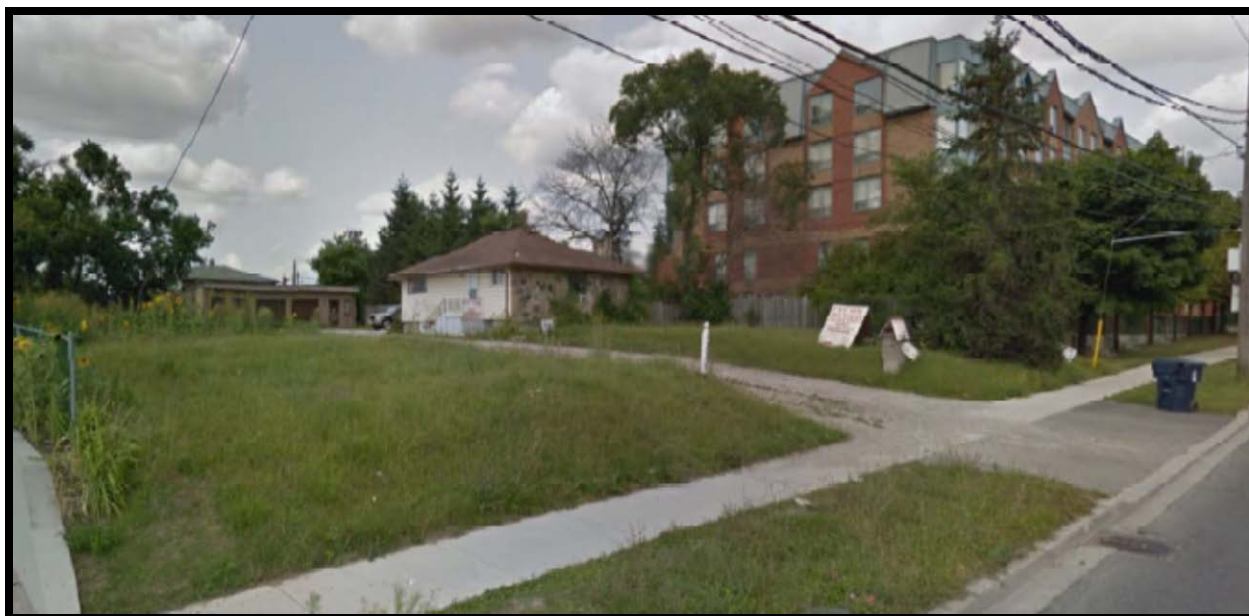
PROP V.1

**Preliminary Parking Plan Layout
1220 and 1222 Wilson Avenue**

Appendix 'C'
Photos of Property



1220 and 1222 Wilson Avenue, Toronto



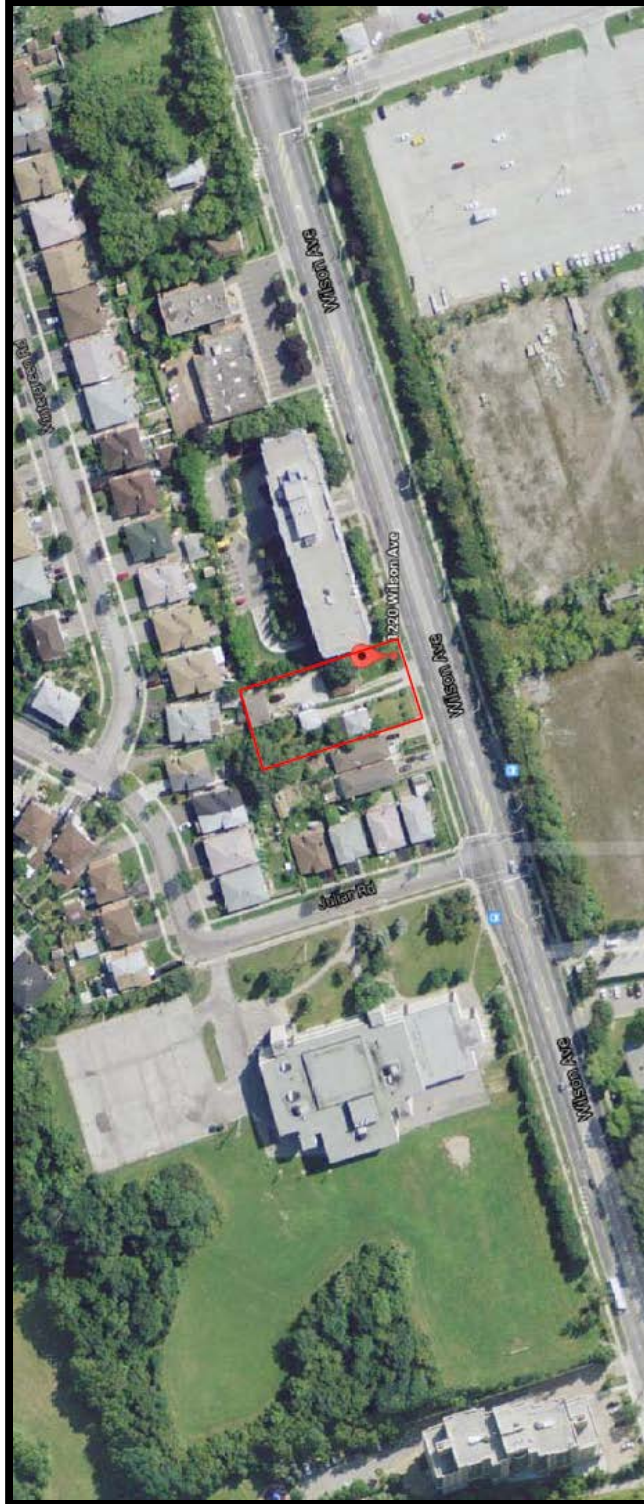


View East – Wilson Avenue



View West – Wilson Avenue

Appendix 'D'
Aerial Image of Surrounding Neighbourhood



Appendix 'E'

Survey of Property

