

**STAFF REPORT
ACTION REQUIRED**



Acquisition of 287 Rushton Road

Date:	March 23, 2015
To:	Government Management Committee
From:	President, Toronto Parking Authority
Wards:	Ward 21 St. Paul's
Reference Number:	TPA File No. 1449-00

SUMMARY

The purpose of this report is to obtain Council's authorization to purchase the property municipally known as 287 Rushton Road (the "Property") from Matthew Carnovale (the "Vendor") in order to construct and operate a surface parking facility having 18 spaces in order to service the short term parking needs of the surrounding St. Clair Hillcrest Village BIA neighbourhood.

RECOMMENDATIONS

The Toronto Parking Authority recommends that:

1. Council authorize the acquisition of the property known municipally as 287 Rushton Road from Matthew Carnovale based on the terms and conditions contained in Schedule 'A' attached hereto plus the additional expenditure of approximately \$613,000 for construction and associated costs such as land transfer tax, survey, environmental studies, legal and brokerage fees for a total acquisition cost estimate of \$1,813,000.
2. Upon acquisition, the Property be designated for municipal parking purposes, to be managed by 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 for Toronto Parking Authority includes funding in the amount of \$2,000,000 for the St Clair / Oakwood project, planned for 2023. Since the appropriate site became available in 2015, Toronto Parking Authority wishes to proceed with the acquisition in order to construct a surface parking facility. Total estimated costs are \$1,813,000, including the property purchase and all associated costs of \$1,200,000, as well as construction costs of \$613,000.

No funding will be required in 2015, since the purchase closing is anticipated for some time in late 2016. In order to provide required funding in 2016, Toronto Parking Authority will include the St Clair / Oakwood project on an accelerated schedule in its 2016-2025 Capital Budget and Plan Submission. Should it be determined that funding will be required in 2015, Toronto Parking Authority will report back to the Budget Committee requesting acceleration of the St Clair / Oakwood project and amendment of the 2015-2024 Approved Capital Budget and Plan.

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 \$1,200,000, 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 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 19, 2015, the TPA Board of Directors approved acquisition of the Property on the terms outlined herein (*TPA Board Minute No.: 15-029*).

ISSUE BACKGROUND

The TTC's streetcar thoroughfare improvement project along St. Clair Avenue resulted in a reduction in the supply of on-street parking which has created a greater need for alternative parking solutions. As a result, the TPA has been looking for suitable sites that would accommodate not only the high demand for parking within the St. Clair Hillcrest Village BIA neighbourhood but also meet the longer term needs for public parking in the area. The purchase of the Subject Property will assist in satisfying these requirements. The TPA submitted an offer to purchase 287 Rushton Road and it was accepted on December 23, 2014.

Development of the Property into a public parking facility will result in a site capable of accommodating approximately 18 surface parking spaces (see attached *Appendix 'A' - Proposed Carpark Development Plan (287 Rushton Avenue)*).

COMMENTS

Site Location and Particulars

Positioned on the east side of Rushton Road, a two-way arterial roadway, the Subject Property is located east of Dufferin Street and a short distance to the north of St. Clair Avenue West (see attached *Site Location Map*). The property is improved with a detached two storey residential dwelling complete with a separate detached three car garage (see attached *Appendix 'B' - Photos of Subject Property*).

Located within a busy commercial / residential neighbourhood known as the St Clair Hillcrest Village BIA neighbourhood, the immediate area is characterized as a mature residential community with detached and semi-detached homes while higher density residential and storefront commercial uses are found fronting St Clair Avenue to the south.

The site which measures approximately 23.9 feet (7.3 meters) by 162.4 feet (49.5 meters) is bordered to the south by a public access laneway (see attached *Appendix 'C' - Property Survey (287 Rushton Road)* and *Appendix 'D' - Neighbourhood Aerial Photograph*). A redevelopment of the site into a public parking facility will result in a site that will be capable of accommodating approximately 18 surface spaces to be operated as a 'Pay and Display' type operation (see attached *Appendix 'A' - Proposed Carpark Development Plan – 287 Rushton Road*). The parking spaces will be positioned perpendicular to the public laneway lands with each space easily accessed from the laneway.

Parking Supply and Demand

The reduction in the supply of on-street parking due to the TTC's streetcar thoroughfare improvement project along St. Clair Avenue coupled with the need for parking to support a number of new as well as growing local businesses has increased the demand for parking within the area. The development of a public parking facility at this location will help satisfy this increased parking need and help support the economic viability of the new lot.

Financial Analysis and Conclusion

Upon the acquisition of the Property and the construction of the new parking facility, the total development cost to TPA to create this additional parking is estimated at \$1.813 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 5.0%. The financial analysis supports the acquisition price of \$1.2 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 Agreement of Purchase and Sale (*287 Rushton Road*)

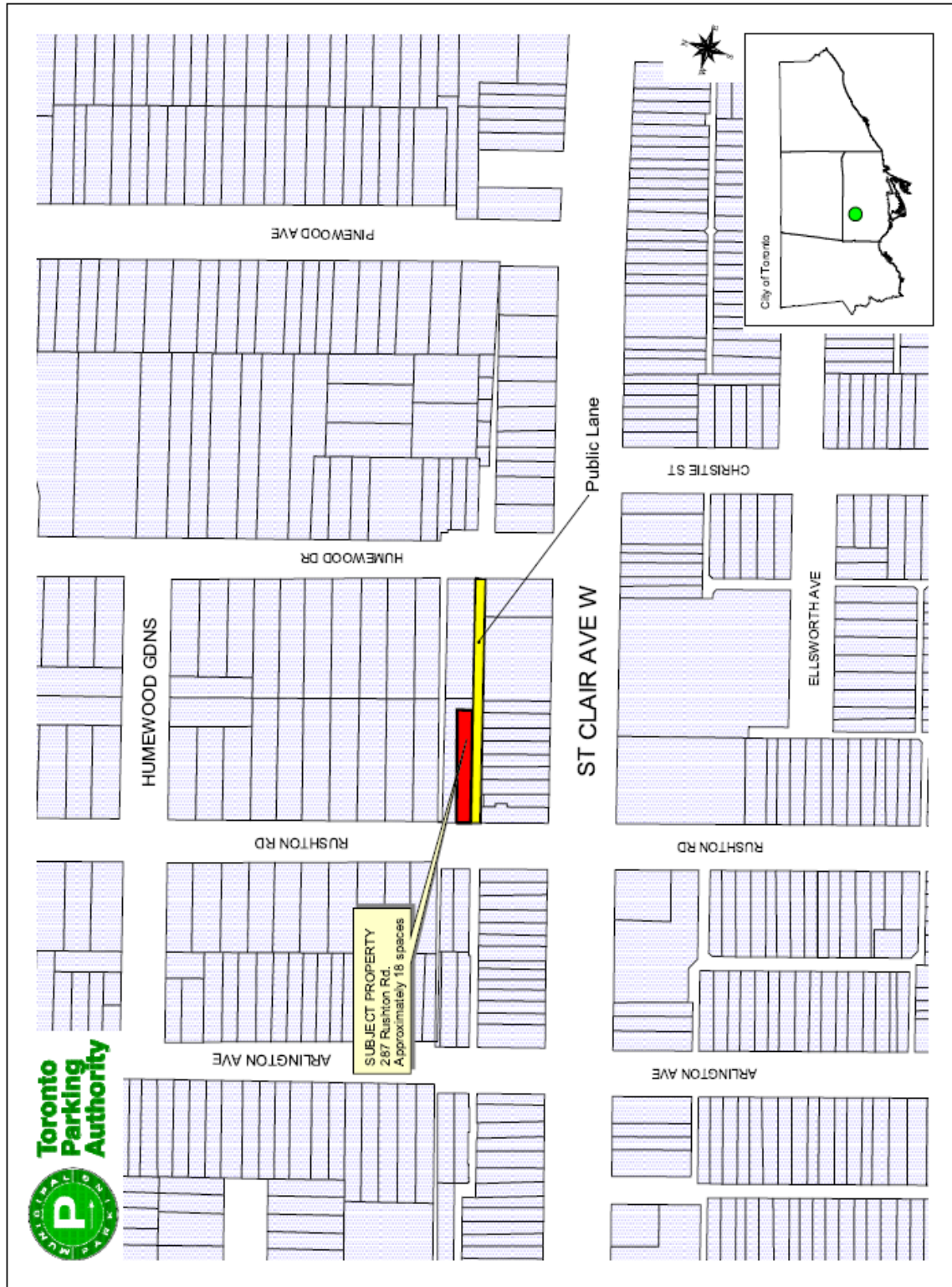
Appendix 'A' Proposed Carpark Development Plan (*287 Rushton Road*)

Appendix 'B' Photos of Subject Property (*287 Rushton Road*)

Appendix 'C' Property Survey (*287 Rushton Road*)

Appendix 'D' Neighbourhood Aerial Photograph

Site Location Map



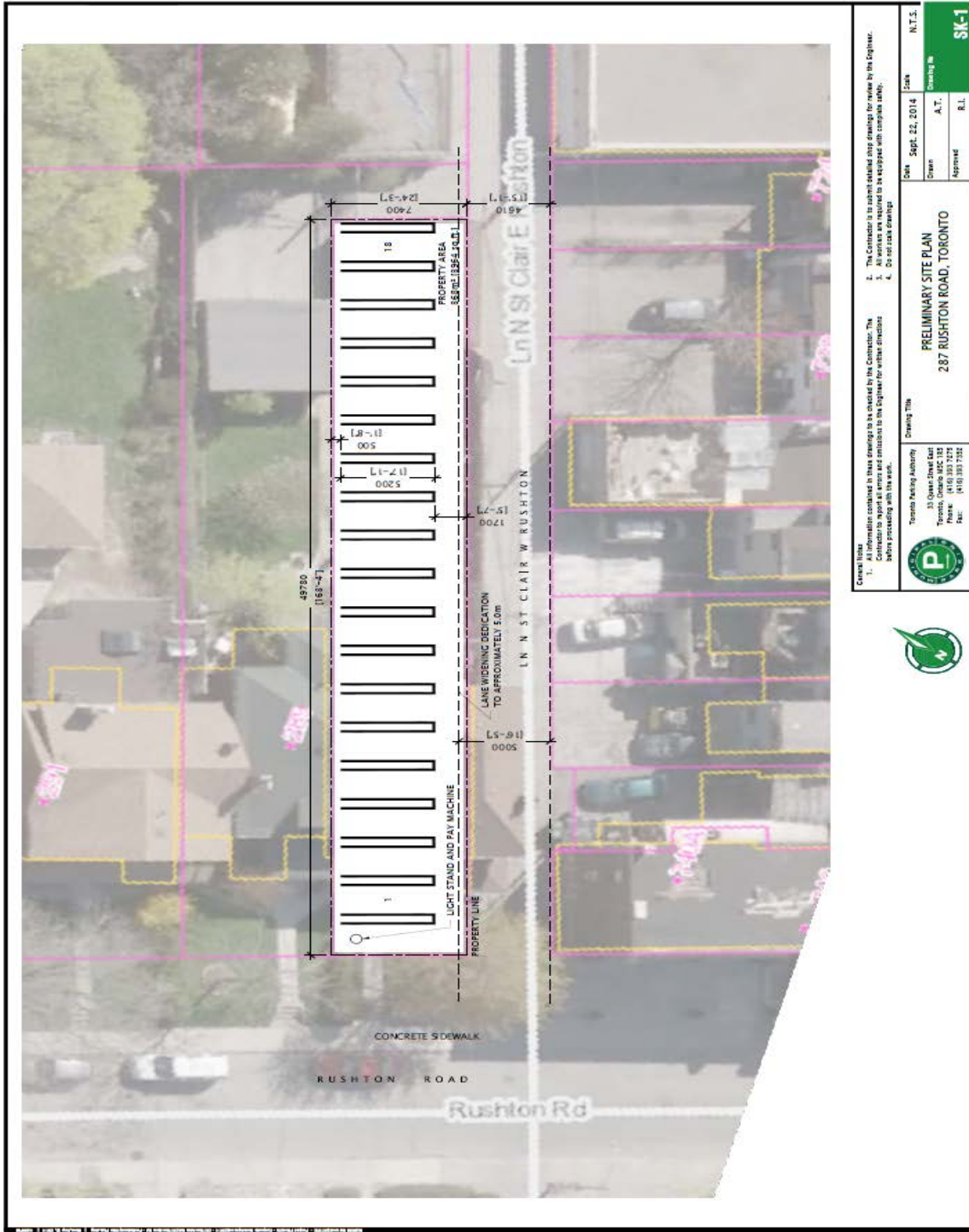
Schedule "A"

Summary of Agreement of Purchase and Sale

1. Purchaser – Toronto Parking Authority / registered owner to be City of Toronto
2. Vendor – Matthew Carnovale
3. Purchase Price – \$1.2 million
4. Deposit - \$50,000
5. Site Dimensions – 23.9 feet (7.3 meters) x 162.4 feet (49.5 meters) / 3,881.4 square feet (360.6 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 – March 10, 2015 and extended until May 8, 2015
8. Closing – the later of: (i) May 5, 2016 or (ii) within thirty (30) days from the date the Purchaser receives site plan approval or a demolition permit for the property

Appendix 'A'

Proposed Carpark Development Plan (287 Rushton Road)



Appendix 'B'
Photos of Subject Property (287 Rushton Road)



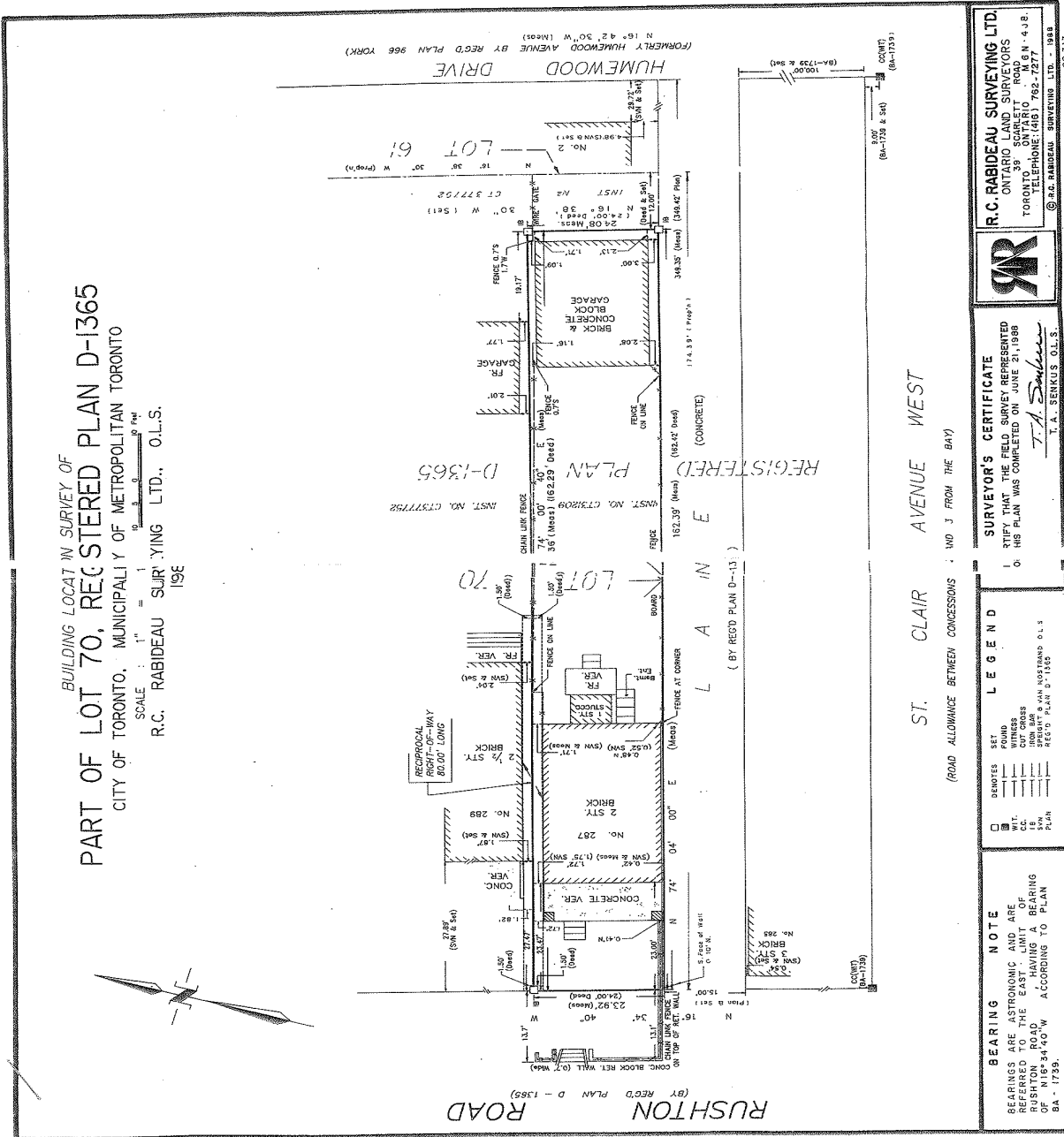
Front View



Rear View

Appendix 'C'

Property Survey (287 Rushton Road)



Appendix 'D'

Neighbourhood Aerial Photograph

