



REPORT FOR ACTION

Renewal of Parking Management Agreement: 9 Madison Avenue (Car Park 238)

Date: November 28, 2019
To: Board of Directors, Toronto Parking Authority
From: Acting President, Toronto Parking Authority
Wards: Ward 11, University-Rosedale

SUMMARY

This report seeks Toronto Parking Authority (TPA) Board of Directors' approval to enter into a parking management renewal agreement (Renewal Agreement) with International Estonian Centre Inc. (Owner) to continue TPA's operation of an existing 38-space surface parking facility, referred to as Car Park 238, located at 9 Madison Avenue (Property), in accordance with the terms and conditions outlined in Attachment 1, 9 Madison Avenue Renewal Agreement Principles.

RECOMMENDATIONS

The Acting President, Toronto Parking Authority recommends that:

1. The Board of Directors of Toronto Parking Authority authorize the President, Toronto Parking Authority, to enter into a parking management renewal agreement with International Estonian Centre Inc. to continue to operate a 38-space surface parking facility located at 9 Madison Avenue (Car Park 238) under the terms and conditions in Attachment 1 and on any such other or amended terms and conditions as may be acceptable to the President, Toronto Parking Authority, and in a form satisfactory to the City Solicitor.

FINANCIAL IMPACT

TPA projects the Property to generate gross revenues (net of HST) of approximately \$3,968 per stall per annum for a total of \$150,790. The management fee for the one (1) year term of the Agreement is estimated to be \$27,882, representing 25 percent of net revenue proceeds for the facility. Should the option to extend the Agreement by an additional six (6) months be exercised, it is estimated that TPA will generate an additional \$14,289 in management fees.

Net revenue proceeds is calculated by taking gross revenue less operating expenses, which includes maintenance costs, snow clearing, and other ongoing operating expenses. Operating expenses for the one-year term of the Agreement are estimated at \$39,265. Costs associated with utilities and property taxes will remain the responsibility of the Owner.

The current and estimated financial performance of Car Park 238 in 2019 and 2020 is shown in Table 1 below.

Table 1: Forecasted Financial Performance		
	2019 Forecast	2020 Estimate
Gross Revenues (net of HST)	\$147,113	\$150,791
Gross Revenues Per Space	\$3,872	\$3,968
Expenses	\$38,307	\$39,265
Net Operating Proceeds	\$108,806	\$111,526
TPA Net Proceeds (25 percent)	\$27,201	\$27,882

DECISION HISTORY

City Council at its April 24, 25, 26 and 27, 2018 meeting adopted Item GM26.17, granting authority to Real Estate Services to enter into an agreement to transfer portions of the property at 9 Madison Avenue to CreateTO's corporate entity, Build Toronto Inc., for the purpose of development.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.GM26.17>

At its meeting on December 17, 2018, TPA Board of Directors authorized staff to enter into an agreement with International Estonian Center Inc. to operate the parking facility located at 9 Madison Avenue for a one year term and enter into an additional agreement with CreateTO and Build Toronto Inc. as required to operate the parking facility for the interim period between the assumption of ownership by Build Toronto Inc. and the assumption of ownership by International Estonian Center Inc.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PA1.4>

COMMENTS

TPA has been operating the Property as Car Park 238 since January 2011 under a Master Umbrella Agreement (MUA) with the City of Toronto. In March 2018, the ownership for the Property was transferred to CreateTO and the associated corporate entity, Build Toronto Inc., with Council's adoption of Item GM26.17. Ownership of the property was then subsequently transferred to International Estonian Centre Inc., on December 19, 2018.

As the Owner is still in the process of obtaining approvals and permits required for the redevelopment of the property, the Owner has expressed its interest in continuing the management agreement with TPA for an additional one-year term with an option to extend for a further six (6) months. The principles of the renewal agreement are included in Attachment 1.

Should TPA Board of Directors adopt this report, TPA will proceed to enter into and execute the Renewal Agreement under the terms and conditions outlined in Attachment 1, and any such other or amended terms and conditions as may be acceptable to the Acting President and in a form satisfactory to the City Solicitor.

Site Location and Particulars

The Property is approximately 1,127 square metres (12,129 square feet) and located north of Bloor Street West, east of Spadina Avenue in Ward 11 - University - Rosedale. The site is surrounded by an established residential community and mixed-use buildings to the north, east and west. Other adjacent land uses include the University of Toronto campus to the south and east and the Spadina Subway Station immediately west of the Property.

TPA staff undertook a recent site review and confirmed that there is no capital work required for the upcoming year.

Parking Supply, Demand and Operations

Car Park 238 currently generates peak usage rates of 88% and similar demands are expected in the future. Car Park 238 will continue to be operated 24 hours per day, 7 days per week. It will be serviced by one (1) pay-and-display machine with customers also having the option to pay with the Mobile Pay app. The current rates for Car Park 238 are identified in Table 2 - Parking Rates. The rates may be amended from time to time by the TPA in accordance with its rate review policy.

Table 2 - Parking Rates	
Half-hour rate:	\$2.00
Day Maximum	\$12.00
Evening Maximum	\$6.00
Event Rates:	To be determined on an event by event basis

Summary of Changes to the Parking Management Agreement

The major terms and conditions remain the same as the original agreement between TPA and the Owner with the exception of an option to extend the one-year renewal by six (6) months. The option to extend has been included to allow flexibility in the arrangement should the timing of permits and approvals for the redevelopment of the site be delayed. A summary is provided in Table 3 - Summary of Changes to the Parking Management Agreement below and the major terms and conditions of the agreement is provided in Attachment 1.

Table 3 - Summary of Changes to the Parking Management Agreement	
Commencement Date:	December 19, 2019 or on a date to be mutually agreed to
Term:	One (1) year
Option to Extend:	Mutual option to extend for six (6) months
Rates:	Half-hour Rate: \$2.00 Day Maximum: \$12.00 Evening Maximum: \$6.00 Event Rates to be determined on an event by event basis

Upon receiving TPA Board approval, TPA will coordinate the final execution of the legal documents, related to this matter.

CONTACT

Ian Maher, Vice President, Parking Strategy, Policy, Planning and Technology,
Toronto Parking Authority, 416-393-7291, ian.maher@toronto.ca

Jeffrey Dea, Director, Parking Strategy, Policy and Planning,
Toronto Parking Authority, 416-393-7292, jeffrey.dea2@toronto.ca

SIGNATURE

Robin Oliphant, Acting President
Toronto Parking Authority

ATTACHMENTS

Attachment 1 - 9 Madison Avenue Renewal Agreement Principles
Attachment 2 - Site Location Map

ATTACHMENT 1

9 MADISON AVENUE RENEWAL AGREEMENT PRINCIPLES

9 Madison Avenue Renewal Agreement Principles	
Commencement Date:	December 19, 2019 or on a date to be mutually agreed to
Term:	One year with a mutual option to extend for six (6) months
Net Revenue Sharing:	Net profits shared 75% (Owner) and 25% (TPA)
Operating Expense:	Operating expenses resulting from the operation of the parking facility including, but not limited to enforcement, snow clearing and maintenance will be deducted from the revenue before the parking revenues are shared. The property taxes and utilities will be the responsibility of the Owner.
Termination:	Either party has the right to terminate at any time with 30 days prior written notice to the other party. If the Owner knows more than 30 days in advance the construction commencement date, the Owner will give as much advance notice to the TPA as possible.
TPA Obligations:	<p>Operate the Car Park during the hours of operation; Maintain the Pay and Display machines; Provide parking enforcement; Supply and install all TPA branded signage; Maintain all TPA branded signage; Line Striping, power sweeping, and other general maintenance as required; Keep the Car Park free and clear of litter and debris; Handle complaints and claims made for loss or damage to vehicles parked at the Car Park; Make and pay for any repairs and maintenance; Perform all garbage removal; Obtain all permits and site plan approvals required to operate the Car Park; Set the rate for parking fees which may be amended from time to time; Promptly pay over the Owner's Profit Share to the Owner; Perform snow clearing duties; and Maintain commercial general liability insurance</p>

9 Madison Avenue Renewal Agreement Principles	
Owner Obligations:	<p>Insure the Car Park with "all risks" property insurance; Pay property taxes and utilities; Make and pay for any improvements or developments required by any governmental authority or body; Pay for any capital work required to correct or rectify any deficiencies as determined by the TPA; Allow TPA to peaceably and quietly manage and operate the Car Park during the Term</p>
Notices to Owner:	<p>David Kalm International Estonian Centre Inc. 958 Broadview Avenue Toronto, ON M4K 2R6</p>
Notices to TPA:	<p>Robin Oliphant 33 Queen Street East Toronto, ON M5C 1R5</p>

ATTACHMENT 2

SITE LOCATION MAP

