PA13.7

REPORT FOR ACTION

New Off-Street Parking Opportunity - 229 Richmond Street West (Car Park 305)

Date: January 22, 2020
To: Board of Directors, Toronto Parking Authority
From: Acting President, Toronto Parking Authority
Wards: Ward 10, Spadina-Fort York

SUMMARY

In October of 2019, City Council approved the acquisition of a privately-owned property at 229 Richmond Street West (Property) for strategic city building purposes and the acquisition closed January 15, 2020. CreateTO, with internal and external stakeholders, including Toronto Parking Authority (TPA), will work to develop plans for the future use of the Property, which may include municipal parking, and report back to Council in the second quarter of 2020 with a Precinct Plan, which will outline the uses and the funding model.

On an interim basis, TPA has been approached by CreateTO, acting on behalf of the City of Toronto (the Owner), to operate municipal public parking at this location. As the Property has been operated as a commercial parking facility, only minor capital improvements are needed to ensure the facility meets standards for municipal public parking purposes.

This report seeks TPA Board of Directors' approval to enter into a Letter of Understanding (LOU) with the Owner to establish and manage a new interim municipal off-street surface parking facility. The 83-space surface parking facility, referred to as Car Park 305, will be located at 229 Richmond Street West (Property, see Attachment 1 - Site Location Map). TPA staff are also seeking approval to undertake minor capital improvements to ensure the facility meets suitable standards for municipal public parking purposes.

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 Letter of Understanding with the Executive Director, Corporate Real Estate Management, in consultation with the Chief Executive Officer, CreateTO, to manage the 83-space surface parking lot located at 229 Richmond Street West (Car Park 305), under the terms and conditions in Table 2 and 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.

2. The Board of Directors of Toronto Parking Authority authorize the President, Toronto Parking Authority, to spend an amount not exceeding $90,000, excluding Harmonized Sales Tax, for capital improvements required to bring the 83-space surface parking lot located at 229 Richmond Street West (Car Park 305) to a suitable standard for municipal public parking purposes, generally comprising the supply of revenue control equipment, pavement markings, minor asphalt repair, lighting, and signage.

FINANCIAL IMPACT

As outlined in Table 1, TPA projects the surface parking facility to generate gross revenues (net of HST) of approximately $7,280 per stall per annum for a total of $604,240 in 2020 and $619,346 in 2021. Operating expenses are estimated at $55,773 per year and exclude property taxes, which will remain the responsibility of the Owner. 2020 net cash flow for the 10-month period, which includes net revenue less capital expenditures, is estimated at $411,350. Net cash flow for the 2021 calendar year is expected to be $562,179.

Table 1 - Forecasted Financial Performance

	2020 Estimate *Period March 1, 2020 to December 31, 2020*	**2021 Estimate** *Period Jan 1, 2021 to December 31, 2021*
Gross Revenues (Net of HST)	$453,180	$619,346
Gross Revenues Per Space	$7,280	$7,462
Capital Costs	$86,274	N/A
Additional Set Up Costs (i.e., Legal)	$5,000	N/A
Operating Expenses	$41,830	$57,167
Net Operating Proceeds	$411,350	$562,179

Sufficient funding is available in the Approved 2020 Capital Budget for the capital improvements needed to bring the 83-space surface parking lot to a suitable standard for municipal public parking purposes.

A total of $15,200,000 has also been included in the Approved 2021-2029 Capital Plan for the future acquisition of underground parking at this location in 2025.

DECISION HISTORY

At its meeting of October 29, 30, 2019 (Item Number EX9.6), City Council approved the acquisition of 229 Richmond Street West and to declare the adjacent City-owned property at 260 Adelaide Street West surplus for strategic city building purposes. The sale of 260 Adelaide Street West will be used to fund the acquisition of the Subject Property as well as other City building opportunities. During the period in which the City advances plans to redevelop the site, TPA has been requested to operate the property for public parking purposes. Additional information can be found here:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX9.6

COMMENTS

TPA has been approached by CreateTO with the opportunity to manage a public parking facility at 229 Richmond Street West. The purchase of the Property by the City closed on January 15, 2020 and it is anticipated that the Property will remain as an interim surface parking lot until the City, CreateTO and City Planning can work through a public planning process to determine how best to activate the Property.

During this interim period (approximately three (3) years), jurisdictional operation of the Property will remain under the City's Corporate Real Estate Management Division. TPA has expressed an interest in working together with the different City groups / divisions to explore the opportunity of acquiring a parking facility at 229 Richmond Street West as part of a larger City building redevelopment.

Should TPA Board of Directors adopt this report, TPA will proceed to enter into and execute a LOU on the terms and conditions outlined in Table 2.0, 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

229 Richmond Street West is located in the heart of the City's Entertainment District and is just south of the Queen Street West Heritage District. The Property is located between John Street and Duncan Street and has frontage on both Richmond Street West and Nelson Street (refer to Attachment 1 - *Site Location Map*). A mix of entertainment, commercial and residential buildings are directly adjacent to the east and west property boundaries.

The existing surface parking lot has approximately 104 parking stalls, however, many of the spaces provided are tandem parking spaces that require multiple vehicles to be jockeyed into location. Should TPA operate the surface lot as a municipal public parking facility, it is expected that approximately 83 spaces, which meet TPA design standards and specifications, can be accommodated.

Recent surveys of the area confirm that the Property is located in a high-demand area that is currently underserved with public parking.

In order to open the lot for public parking and ensure it meets TPA's standards, minor capital improvements, including the provision of revenue control equipment, installation of lighting and signage and jersey barriers, removal of existing pavement markings and line re-striping, is required. Once the capital improvements have been completed, the Property will be operated 24 hours per day, seven (7) days per week under a pay-and-display mode, also with the option for customers to pay using the Green P Mobile App. Two (2) pay-and-display machines will be required.

Summary Letter of Understanding Terms

The general terms and conditions of the arrangement are provided in the table below

Table 2 - Proposed Terms and Conditions	
Commencement Date:	March 1, 2020 or on a date to be determined
Term:	Month to month basis
Capital Improvements:	1. Cost of capital improvements not to exceed $90,000 2. TPA to be reimbursed for the cost of any capital improvements to the Property from parking revenues generated.
Termination:	Either party has the ability to terminate with 60 days written notice
CreateTO Obligations:	• Insure Car Park with all-risks property insurance
TPA Obligations:	• Operate Car Park during hours of operation • Supply and maintain the Pay and Display machines • Provide parking enforcement • Supply and install TPA branded signage • Keep Car Park free and clear of litter and debris; • Make and pay for any repairs and maintenance; • Perform snow clearing duties; • Maintain general liability insurance • Set parking rates

CONTACT

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SIGNATURE

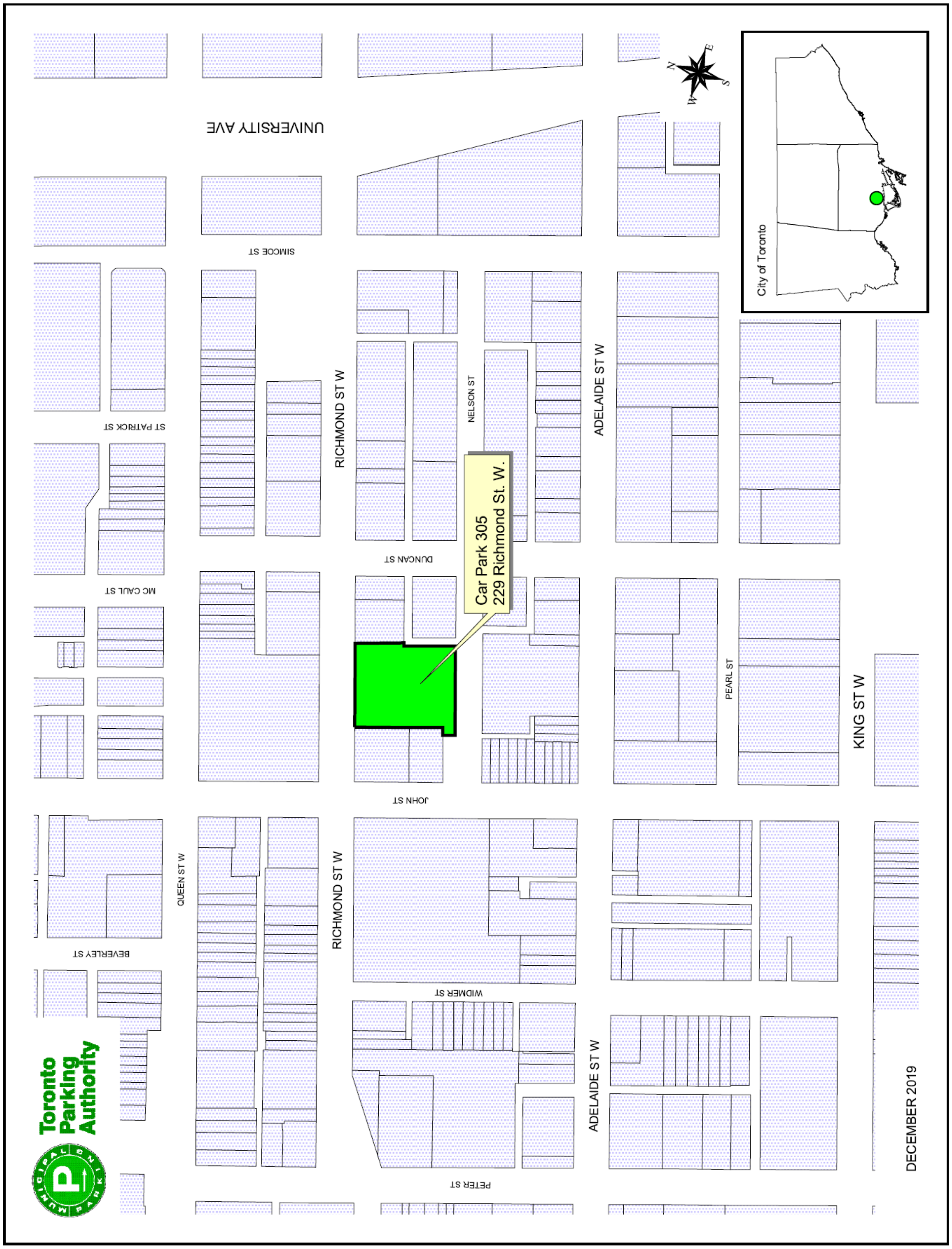
Robin Oliphant, Acting President
Toronto Parking Authority

ATTACHMENTS

Attachment 1 - Site Location Map
Attachment 2 - Proposed Parking Layout

ATTACHMENT 1

SITE LOCATION MAP



ATTACHMENT 2

PROPOSED PARKING LAYOUT