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Toronto Parking Authority Real Estate Program

CreateTO Board of Directors Meeting

July 23, 2020

CREATE TO

Transforming
Toronto's Real Estate

Agenda

1. Toronto Parking Authority Mandate
2. Real Estate Authorities
3. Key Principles
4. Portfolio Overview
5. Work Stream Transformation

Strategic Consideration

Under the City-wide Real Estate Program, the Toronto Parking Authority (TPA) is a key client of CreateTO.

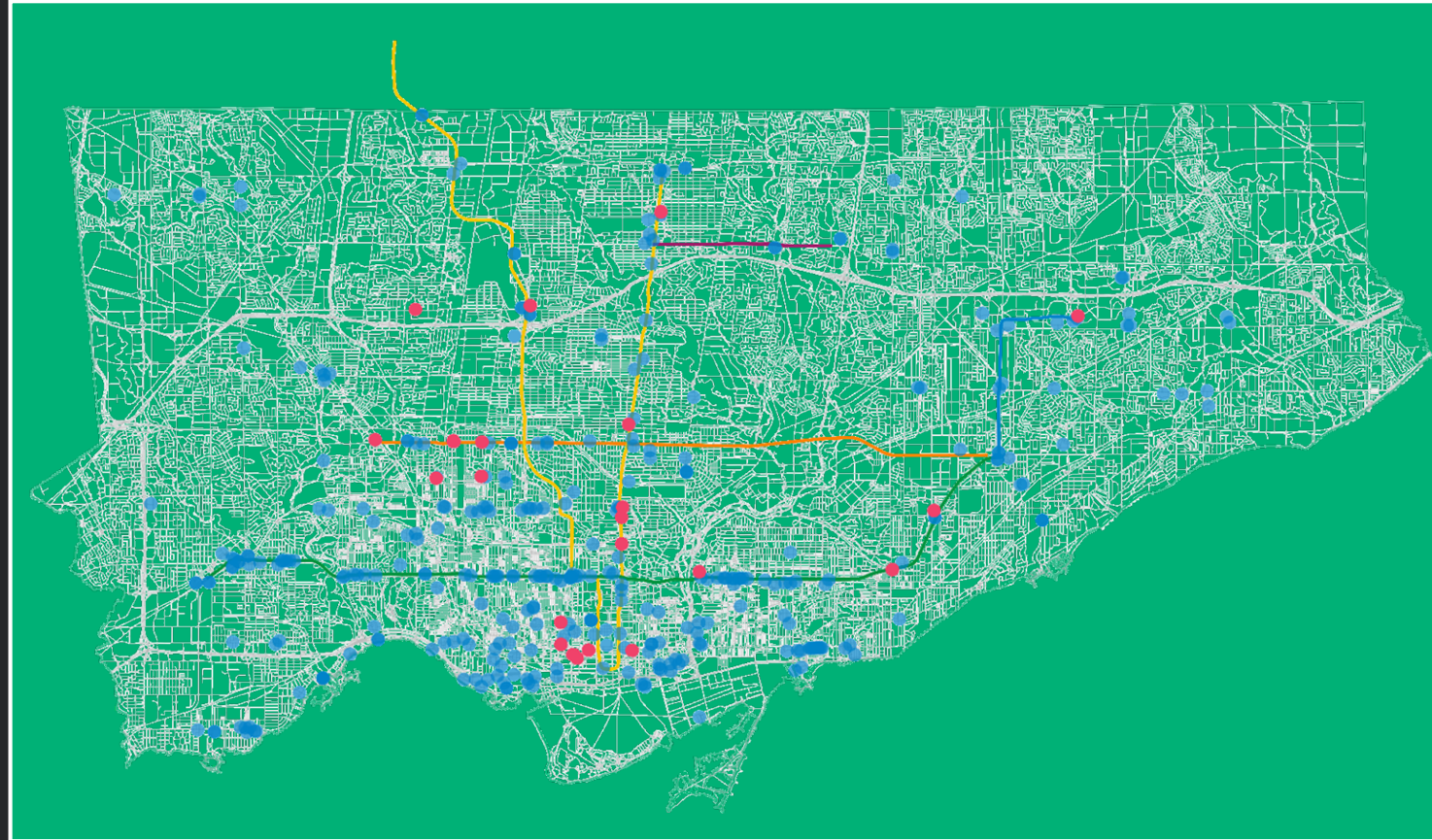
How does CreateTO provide value to the TPA, acknowledging that the use of TPA property for City-building no longer provides a dedicated revenue stream for the TPA?

While fully exploiting the real estate potential of its land holdings, we need to balance the TPA's business model requirements.

Toronto Parking Authority

The Toronto Parking Authority (TPA) is a **City agency** which operates municipal **on-street metered parking** and **off-street parking facilities** throughout the City.

The **Mandate of TPA** is to provide safe, attractive, self-sustaining, conveniently located & competitively priced on-street and off-street public parking and Bike Share services as integral components of Toronto's transportation system



Real Estate Authorities

- A framework for centralizing City-wide real estate authorities was adopted by City Council on October 2, 3 and 4, 2017
- In November 2017, Council adopted amendments to the delegated authority framework and Municipal Code Chapter 179 (parts 9, 10, 11, 12)¹ for the TPA, to ensure that all real estate transactions are directed through the City's new real estate service delivery model and delegated authority approval process, effective January 1, 2018.

Pre-2018 TPA Authorities

- ✓ Sell or develop lands/buildings that have been designated for TPA use
- ✓ Lease facilities for commercial or administrative purposes

Post-2018 TPA Authorities

- ✓ No real estate authorities to sell, lease and develop lands, or develop unilateral real estate strategies
- ✓ These authorities have been assumed by CREM (delegated authority), CreateTO Board and City Council

[1] For a list of Municipal Code amendments related to the TPA, see pages 3, 4 and 5:
<https://www.toronto.ca/legdocs/mmis/2017/ex/bgrd/backgroundfile-109168.pdf>

Key Principles ¹

TPA

- ✓ Holds authority over program strategies & requirements
- ✓ Approves program related matters
- ✓ Recommends real estate matters as it relates to its program requirements

CreateTO

- ✓ Holds authority over integrated real estate strategic portfolio planning and development activities
- ✓ Approves the most efficient use of real estate capital within the portfolio in consultation with City-building stakeholders

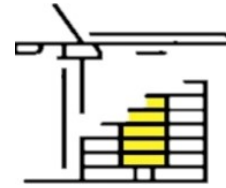
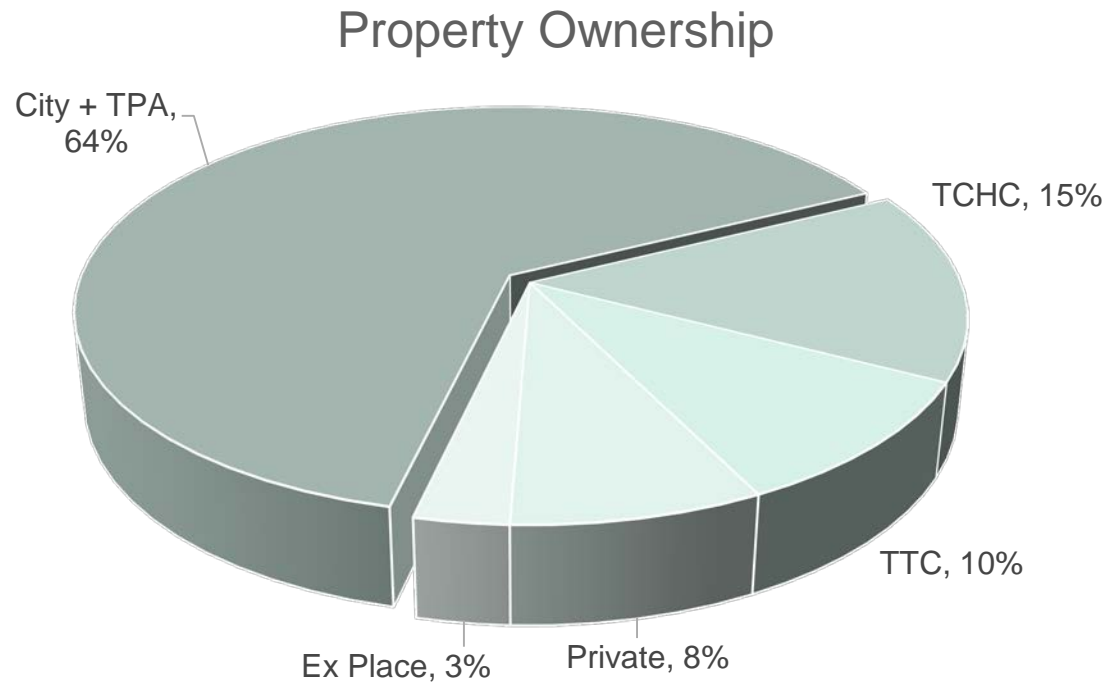
City Council

- ✓ Holds authority over City-wide priorities, strategies & real estate assets
- ✓ Approves the City-wide Real Estate Strategy & Plan, operating & capital budgets, delegated authority framework

[1] December 12, 2019 Presentation to TPA Board from the VP, Parking Strategy, Policy, Planning and Technology, TPA, and the Director, Parking Strategy, Policy and Planning, TPA - <http://www.toronto.ca/legdocs/mmis/2019/pa/bgrd/backgroundfile-141150.pdf>

TPA Portfolio Overview

TPA Manages **305** Parking Facilities



23 Active City-build development files



19 Commercial properties (lease-out)

- 35 units occupied
- 6 units vacant



127 Management agreements for non-TPA-owned parking facilities (lease-ins)

- 47 TCHC
- 40 City (PFR, CREM, etc.)
- 30 TTC
- 10 Exhibition Place

In addition to **19,000** on-street spaces

Parking Program

Authority and Mandate

- TPA develops and approves program strategies and requirements, and manages core business activities
- TPA provides a **revenue source** for the City, and a **parking supply for residents and business** – parking spaces should be retained or replaced where parking revenues justify doing so

Key Metrics

- TPA parking facilities have, on average, an **85%** utilization rate, and **33 million** annual parking transactions
- Approximately **\$79M Annual Net Profit**¹
 - Approx. \$63M distributed to the City of Toronto annually
- On-Street Parking accounts for **75%** of TPA Net Profit²

CreateTO Actions

- **CreateTO** solutions TPA's requirements through real estate opportunities

[1] TPA 2019 Audited Financial Statements <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PA15.1>

[2] TPA 2020 Operating Budget <http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.PA9.5>

Portfolio Strategy

Authority and Mandate

- CreateTO is responsible for developing integrated strategies for City-wide real estate assets to support City-building and municipal program objectives

CreateTO Actions

- Developing an **asset strategy** for the City's parking portfolio (Q4 2020)
- Producing enhanced **property profiles** for all TPA assets
- Unlocking new on-street and off-street **parking opportunities**
- Identifying new **revenue streams** for the TPA through strategic partnerships
- Identifying and solutioning **challenges and roadblocks** to optimizing this portfolio

Development

Authority and Mandate

- **CreateTO** Board holds authority over development partnerships, joint ventures and development financing
 - CreateTO staff collaborate with TPA staff and other stakeholders to achieve multiple program objectives through development
- **TPA** Board makes recommendations to CreateTO
 - TPA staff develop business cases to justify program requirements as they relate to development opportunities

CreateTO Actions

- **23** active development files with strategic links to Council mandate
 - 5 **Housing Now** sites
 - 2 **ModernTO** sites
 - Negotiating joint ventures and proactively exploring redevelopment potential to support City-building initiatives

Transactions and Property Management

Authority and Mandate

- **Council** must authorize real estate transactions with total value over \$10 Million
 - Council approval is also required for capital and operating budgets related to real estate requirements
- **City staff** have delegated authority for transactions (incl. on TPA lands) up to \$10 Million
- **TPA Board** retains authority for short term (under 1 year) leases/licences where total compensation is under \$50,000

CreateTO Actions

- **Facilitating the transfer** of responsibility to CREM, allowing TPA to focus on core business
 - New service level agreements and data sharing arrangements
- Review and standardization of **parking facility operating agreements** with City divisions (MOUs)
- Strategic analysis and coordination with CREM on **transactions**, enhancing efficiencies and corporate alignment
 - Optimizing **commercial lease portfolio**, 4 **strategic acquisitions**, supporting TPA's response to **COVID** rent deferral requests

In Summary

- Intent of the City-wide Real Estate Model is to align the real estate activities of the City's Divisions, Agencies and Corporations (DAC's) to best achieve efficiencies and enable DAC's to focus on their **core business**:
 - TPA – delivery of parking program
 - CREM – real estate transactions, property and facilities management and lease administration
 - CreateTO – leveraging real estate opportunities to meet DAC's program requirements and corporate-wide City-building objectives



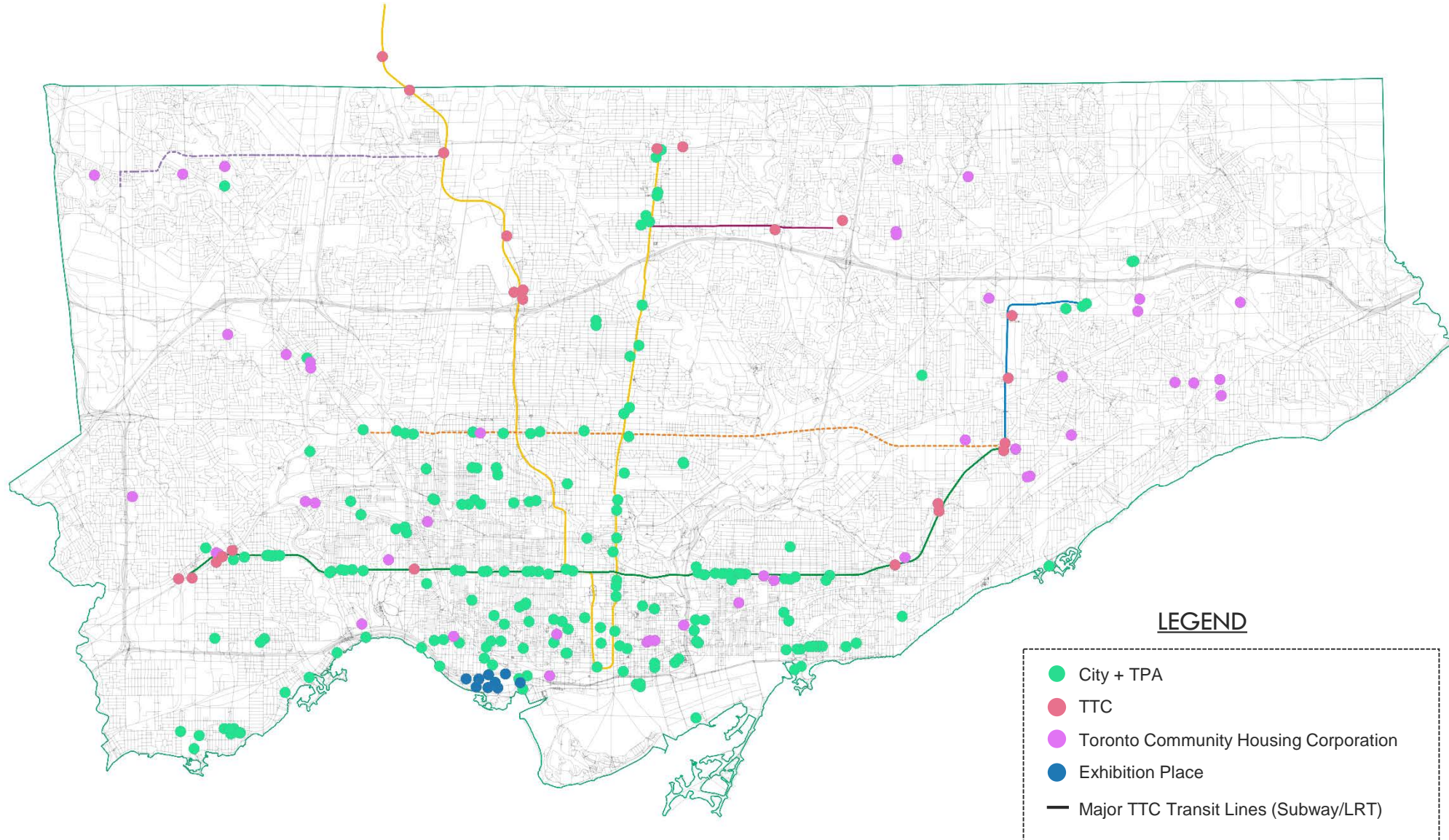
Thank you

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Appendix

Map of City-owned Parking Assets (Off-Street)



Appendix

List of City-owned Parking Assets (Off-Street)

| DOWNTOWN | MIDTOWN | CENTRAL EAST | CENTRAL WEST | SUBURBAN NORTH | SPECIAL FACILITIES |
|----------------------|--------------------------|---------------------|-----------------------|---|-----------------------|
| 37 Queen St. E. | 20 Castlefield Ave. | 1167 Eastern Ave. | 3354 Dundas St. W. | 5667 Yonge St. | Seasonal Parking Lots |
| 20 Dundas Sq. | 125 Burnaby Blvd | 1141 Eastern Ave. | 789 St. Clair Ave. W. | | TCHC Properties |
| 110 Queen St. W. | 23 Bedford Park | 1439 Danforth Ave. | 34 Hannah Ave. | SUBURBAN EAST | TTC Commuter Lots |
| 2 Church St. | 251 MacPherson Avenue | 136 Broadview Ave. | 16 John St. | 101 Grangeway Ave. | Exhibition Place |
| 205 McCaul St. | 912 Eglinton Ave. W. | 138 Hamilton St. | 646 St. Clair Ave. W. | 197 Blantyre Ave. | |
| 87 Richmond St. E. | 25 Glenforest Rd. | 242 Danforth Ave. | 11 Kenwood Ave. | 284 Milner Rd. | |
| 130 Elizabeth St. | 955 Eglinton Ave. W. | 838 Broadview Ave. | 110 Dovercourt Rd. | 1530 Markham Rd. | |
| DOWNTOWN FRINGE | 709 Millwood Rd. | 1091 Eastern Ave. | 301 Scott Rd. | 158 Borough Dr. | |
| 20 Charles St. E. | 453 Spadina Ave. | 540 Mortimer Ave. | 2201 Dundas St. W. | 100 Grangeway Ave. | |
| 13 Isabella St. | 1010 Yonge St. | CENTRAL WEST | 9 Bonar Pl. | SUBURBAN WEST | |
| 15 Wellesley St. E. | 1503 Bayview Ave. | 351 Keele St. | 2623 Eglinton Ave. W. | 271A Scarlett Rd. | |
| 51 Dockside Dr. | CENTRAL EAST | 157 Beatrice St. | 2053 Dufferin St. | 7 Jackson Ave. | |
| 365 Lippincott St. | 101 Cedarvale Ave. | 385 Pacific Ave. | 201 Claremont St. | 11 Grenview Blvd. N. | |
| 83 Tannery Rd. | 72 Amroth Ave. | 7 Norton Ave. | 1624 Queen St. W. | 342 Prince Edward Dr. N. | |
| 20 St. Andrew St. | 670 Pape Ave. | 91 Via Italia | 94 Northcliffe Blvd. | 12 Willindon Blvd. | |
| 35 Bellevue Ave. | 111 Broadview Ave. | 14 Fuller Ave. | 1169 Weston Rd. | 140 Fifth St. | |
| 405 Sherbourne St. | 85 Lee Ave. | 803 Richmond St. W. | 301 Scott Rd. | 66 Third St. | |
| 115 Unwin Ave. | 35 Erindale Ave. | 265 Durie St. | 17 Riverview Gdns. | 128 Eighth St. | |
| 15 Denison Ave. | 14 Arundel Ave. | 400 Keele St. | 16 Riverview Gdns. | 105 Fourth St. | |
| 51 Aberdeen Ave. | 25 Ferrier Ave. | 695 Lansdowne Ave. | 1A Mould Ave. | 3239 Lake Shore Blvd. | |
| 40 Larch St. | 20 Eaton Ave. | 9 Emerson Ave. | 2054 Dufferin St. | 120 Sixth St. | |
| 465 Huron St. | 17 Eaton Ave. | 9 Salem Ave. | 341 Oakwood Ave. | 3220 Bloor St. W. | |
| 300 Remembrance Dr. | 1612 Danforth Ave. | 557 Palmerston Ave. | 406 Oakwood Ave. | 575 Royal York Rd. | |
| 363 Adelaide St. W. | 77 Gough Ave. | 265 Armadale Ave. | 433 Rogers Rd. | 139 Islington Ave. | |
| 4 Spadina Rd. | 31 Langford Ave. | 675 Manning Ave. | 1 Shortt St. | Woolgar Laneway Rear of 1124 The Queensway | |
| 105 Spadina Ave. | 573 Gerrard St. E. | 745 Ossington Ave. | 1531 Eglinton Ave. W. | 15 Primrose Ave. | |
| 31A Parliament St. | 12 Woodycrest Ave. | 1155 King St. W. | SUBURBAN NORTH | 5 Dayton Ave. | |
| 373 Front St. E. | 18 Ferrier Ave. | 255 Kennedy Ave. | 3885 Yonge St. | 20 Royalavon Cres. | |
| 44 Parliament St | 117 Hammersmith Ave. | 7 Bartlett Ave. | 10 Kingsdale Ave. | 7 Monkton Ave. | |
| 40 Rolling Mills Rd. | 737 Rhodes Ave. | 148 Harrison Ave. | 246 Brooke Ave. | 9 Willingdon Blvd. | |
| 45 Abell St. | 118 Sarah Ashbridge Cir. | 141 Greenlaw Ave. | 10 Empress Ave. | 65 Colonel Samuel Smith Park Dr. | |
| 250 Fort York Blvd. | 653 Gerrard St. E. | 265 Willard Ave. | 10 Harlandale Ave. | 14 Barkwin Dr. | |
| 271 Front St. E. | 268 Rhodes Ave. | 376 Clinton St. | 95 Beecroft Rd. | 2300 Lake Shore Blvd W. | |
| 800 Fleet St. | 166 Woodbine Ave. | 1325 Queen St. W. | 1880 Avenue Rd. | 2700 Eglinton Ave. W. | |
| MIDTOWN | 192 Boardwalk Dr. | 18 Ossington Ave. | 11 Finch Ave. W. | | |
| 30 Alvin Ave. | 116 Joseph Duggan Rd. | 1117 Dundas St. W. | 68 Sheppard Ave. W. | | |