



## REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

### Investment in Parking at 229 Richmond Street West

**Date:** January 25, 2021

**To:** Board of Directors, Toronto Parking Authority

**From:** President, Toronto Parking Authority

**Wards:** Ward 10 - Spadina-Fort York

#### REASON FOR CONFIDENTIAL INFORMATION

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This report deals with a proposed or pending acquisition or disposition of land by the City of Toronto.

#### SUMMARY

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In October of 2019, City Council approved the acquisition of a privately-owned property at 229 Richmond Street West (Subject Property). The acquisition of the Subject Property closed on January 15, 2020 and represents an important City-building opportunity due to its location and corresponding property value.

CreateTO, with internal and external stakeholders, including Toronto Parking Authority (TPA) and Parks, Forestry & Recreation Division (PF&R), has been working to develop conceptual designs to establish the feasibility of developing the Subject Property with a surface park and underground municipal parking. The current parking garage design includes 144 parking spaces over three (3) below grade levels with access provided to and from Nelson Street.

The subject property is located in a high demand area for parking, but is underserved with municipal parking. Strategically located within the Entertainment District and one of the highest growth areas in the City of Toronto, an investment in parking in this area would fill an identified need.

The purpose of this report is to provide an update on the potential investment in parking at 229 Richmond Street West and to seek concurrence from TPA Board of Directors to work with CreateTO to carry out additional due diligence in the form of a preliminary design for the garage and a cost estimate. Should it be determined that the investment in parking at 229 Richmond Street West is financially viable, a further update will be

provided to TPA Board of Directors with a request for authority to make a financial contribution to the construction of parking at the Subject Property.

## **RECOMMENDATIONS**

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The President, Toronto Parking Authority recommend that the Toronto Parking Authority Board of Directors:

1. Direct that the information contained in Confidential Attachment 1 remain confidential in its entirety, at the discretion of the City Solicitor, as it pertains to financial information that belongs to the Board of Directors of Toronto Parking Authority and has monetary value or potential monetary value;
2. Receive a preliminary financial analysis on the feasibility of investing in public parking at 229 Richmond Street West contained in Confidential Attachment 1; and
3. Direct Toronto Parking Authority to work with CreateTO to conduct further due diligence on the investment in public parking at 229 Richmond Street West at a cost not to exceed \$350,000 (plus Harmonized Sales Tax).

## **FINANCIAL IMPACT**

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The financial impact of this report is detailed in Confidential Attachment 1.

## **DECISION HISTORY**

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At its meeting of June 13, 2016, Government Management Committee considered options for the acquisition of land for parkland purposes in King-Spadina, and directed Real Estate Services staff to report directly to City Council. At its meeting of July 12, 13, 14 and 15, 2016, City Council received a supplementary report with confidential attachment and directed staff to undertake an appraisal to determine the current market value of the property at 229 Richmond Street West.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM13.36>

At its meeting of September 6, 2016, Government Management Committee considered a report with confidential attachment with an appraisal of the property at 229 Richmond Street West, and referred the item to staff for a report on funding options and strategies in the context of parks and public realm planning underway in the downtown, to the Government Management Committee in the first quarter of 2017.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2016.GM14.14>

At its meeting of July 4, 2018, Toronto and East York Community Council requested staff begin work on a precinct plan for the area generally bounded by Adelaide Street West, Peter Street, Stephanie Street and Duncan Street, having regard for matters including implementation of the TOcore Downtown Parks and Public Realm Plan and Downtown Community Services and Facilities Strategy, the ongoing King-Spadina Secondary Plan Review and the King-Spadina East Precinct Public Realm Strategy, and the John Street Cultural Corridor project.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2018.TE34.219>

At its meeting of October 29, 2019 City Council declared 260 Adelaide surplus and authorized the purchase of 229 Richmond. City Council directed CreateTO along with Corporate Real Estate Management and City Planning to report back in 2020 on a Precinct Plan for the combined sites (260 Adelaide & 229 Richmond) and adjacent properties as appropriate along with a business plan to activate these sites with City uses such as affordable housing, parks, public parking managed by Toronto Parking Authority, childcare, and any other uses as may be suitable.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.EX9.6>

At its meeting of February 3, 2020, Toronto Parking Authority Board of Directors authorized 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, under the terms and conditions contained in Table 2 in the report (January 22, 2020) and to 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 surface parking lot to a suitable standard for municipal parking purposes.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.PA13.7>

At its meeting of December 4, 2020, CreateTO Board of Directors endorsed the business and redevelopment plan for 229 Richmond Street West, directed the Interim Chief Executive Officer, CreateTO to direct funds from available CreateTO budget allocations to procure such outside services as may be necessary to support the confidential instructions to staff, with a view to requesting overall project funding in a subsequent report to City Council.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.RA19.11>

## COMMENTS

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### Background

In October of 2019, City Council approved the acquisition of a privately-owned property at 229 Richmond Street West for strategic city building purposes and the acquisition closed January 15, 2020. CreateTO, with internal and external stakeholders, including TPA and PF&R, to work to develop plans for the future use of the Property, which could potentially include municipal parking.

On an interim basis, TPA had been approached by CreateTO to establish and operate a surface municipal parking facility at this location. As the Property had been operated as a commercial parking facility, it was anticipated that only minor capital improvements were needed to ensure the facility met standards for municipal parking purposes. On this basis, the principles of a memorandum of understanding were agreed to and a report brought forward to TPA Board of Directors to seek authority to enter into the arrangement with CreateTO.

Subsequent to the agreed upon principles of the memorandum of understanding and TPA's request to TPA Board of Directors to provide authority to enter into the arrangement, CreateTO and CREM advised that the terms and conditions of the memorandum of understanding could no longer be agreed upon and that TPA would be required to pay all property taxes associated with the operation of public parking at this location.

With what became a substantial increase in expenses required to operate parking at this location, together with the projected decline of parking revenue attributed to the COVID-19 pandemic, TPA was not able to justify the operation of the temporary surface parking operation on an interim basis. CREM has instead worked with local businesses to establish temporary outdoor eating areas that provide restaurants with greater space to offer socially-distanced dining. Although the temporary surface parking facility was not financially viable, TPA remains interested in investing in the construction of underground parking at 229 Richmond Street West.

## **Site Location**

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 Appendix A - *Site Location Map*). A mix of entertainment, commercial and residential buildings are directly adjacent to the east and west property boundaries.

229 Richmond Street West is located directly north of Fire Station 332, with frontage on Nelson Street and Richmond Street West, and is approximately 0.27 hectares in area. The property currently contains a surface parking lot and is one of the last undeveloped sites in the King-Spadina area.

## **Site Development**

A conceptual design has been prepared for the construction of a new park with below grade parking at 229 Richmond Street West. The 2,245 square meter future park is envisioned as a 'high profile' urban park that will include unique components to serve the growing downtown. Current designs of the below grade parking garage depict a 144-space facility with vehicular access off of Nelson Street. Sufficient soil depth will be included in the design to ensure that park programming is available at grade.

CreateTO with City Planning continue to explore other potential opportunities in the area, which may involve partnering with other nearby landowners to include 229 Richmond Street West as part of a larger development. TPA will continue to monitor the situation as it evolves and will explore new opportunities to secure parking or parking delivered at a more efficient cost.

## **Parking Supply and Demand**

King-Spadina is one of the highest growth areas in the City of Toronto. Comprised of a unique mix of land uses, the area contains a large concentration of jobs in the culture sector, growing residential communities, historic and well-used parks, animated commercial main streets, a lively arts scene including theatres, live music venues and galleries, and a vibrant nighttime economy.

The King-Spadina area has historically seen strong demand for public parking. The implementation of the King Street Transit Priority Corridor resulted in the loss of 180 on-street parking spaces along King Street from Bathurst Street to Jarvis Street, including 31 spaces in the immediate vicinity of the Property.

TPA maintains two other parking facilities in the area, including Car Park 212 (363 Adelaide Street West - 23 surface parking spaces) and Car Park 227 (105 Spadina Avenue - 14 surface parking spaces). Although these car parks are the subject of a separate joint venture partnership, the parking usage at these locations is informative when forecasting potential demands at 229 Richmond Street West. As indicated in Table 2.0, parking demands at Car Parks 212 and 227 are extremely high.

**Table 2.0** - Parking Usage at Car Park 212 - 363 Adelaide Street West and Car Park 227 - 105 Spadina Avenue

<b>Municipal Car Park No.</b>	<b>Address</b>	<b>Usage (May 2019)</b>
227	105 Spadina Avenue	95 percent
212	363 Adelaide Street West	99 percent

To further support its understanding of potential parking demands at 229 Richmond Street West, TPA undertook area parking surveys in 2019 of 21 locations. These surveys confirm that the Property is located in a high-demand area that is currently underserved with public parking.

## **Project Schedule**

At this stage of the planning and design process, the cost and constructability of the underground parking garage is still not clear. It is therefore proposed that further due diligence, in the form of a preliminary design (for example, 30 percent design) be prepared by a third-party consultant retained by CreateTO.

In September 2020, TPA entered into a Cost Sharing Agreement (CSA) with CreateTO and PF&R to apportion due diligence costs related to the redevelopment of the site. Work being carried out, includes, the development of conceptual designs, survey, geotechnical investigations, etc. TPA's share of the costs under the CSA total \$206,500.

At such time as CreateTO has retained consultant services to carry out a preliminary design and cost estimate, TPA will work with CreateTO and PF&R to amend the CSA. In the interim, TPA is seeking authority from TPA Board of Directors to increase TPA's contribution under the CSA from \$206,500 to \$350,000, excluding HST.

Planning approvals, including a Zoning Bylaw Amendment, will be carried out concurrent with the advancement of design in 2021. Should TPA determine that an investment in parking at the subject site is viable, detailed design (for example: 30 percent to 100 percent) would be carried out in 2022 with construction of the garage anticipated to commence in 2023. Operation of the garage could occur as early as Second Quarter 2024.

Once a preliminary design and cost estimate have been completed and TPA can confirm project costs, a report will be brought to the TPA Board of Directors to recommend next steps related to this project.

## **CONTACT**

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## **SIGNATURE**

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Scott Collier, President  
Toronto Parking Authority

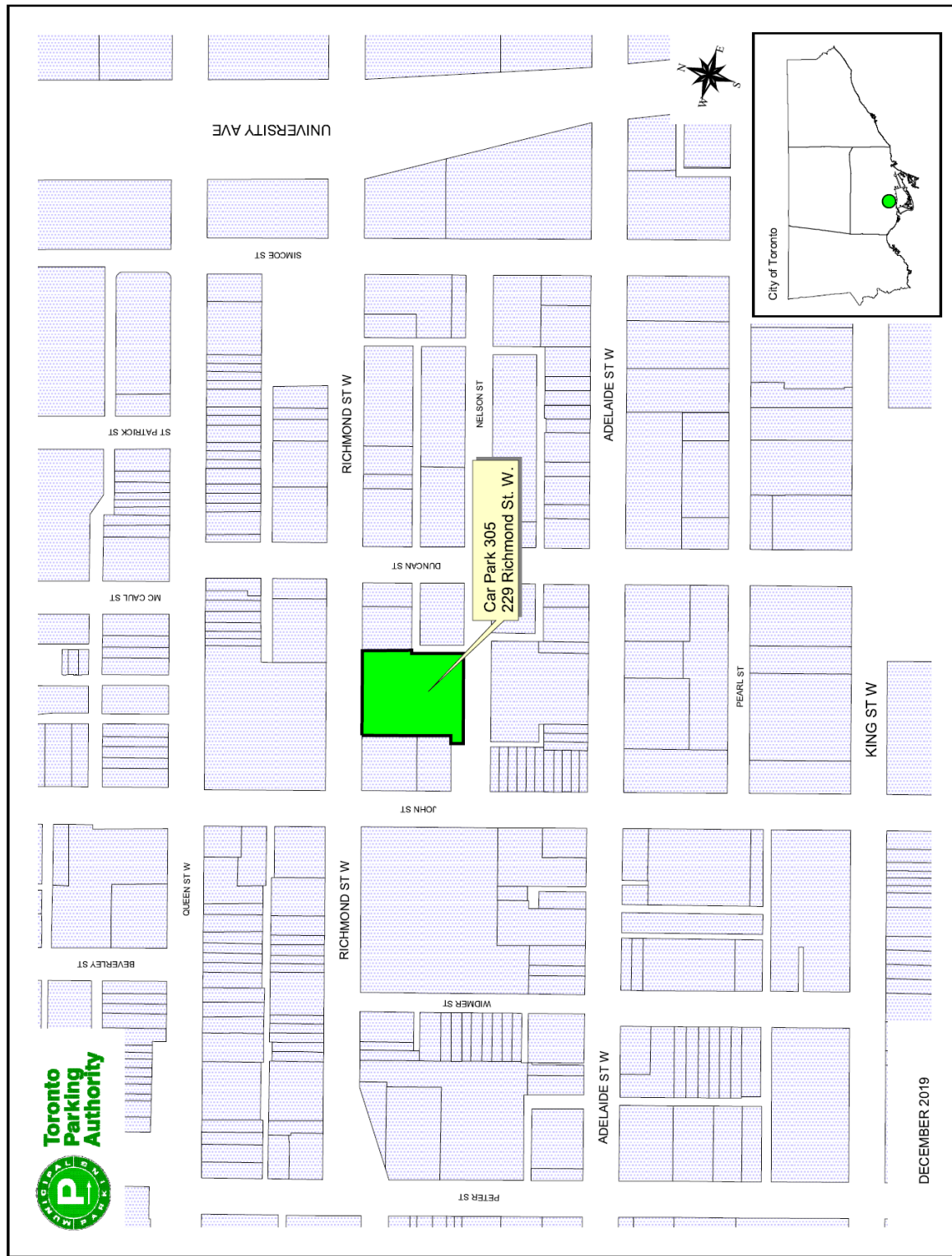
## **ATTACHMENTS**

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Confidential Attachment 1 - Details of the Subject Property  
Appendix A - Site Location Map  
Appendix B - Concept Development Plans for 229 Richmond Street West

## APPENDIX A

### SITE LOCATION MAP



## APPENDIX B

### CONCEPT DEVELOPMENT PLANS FOR 229 RICHMOND STREET WEST

#### Park Concept Plan



This photo shows the existing condition

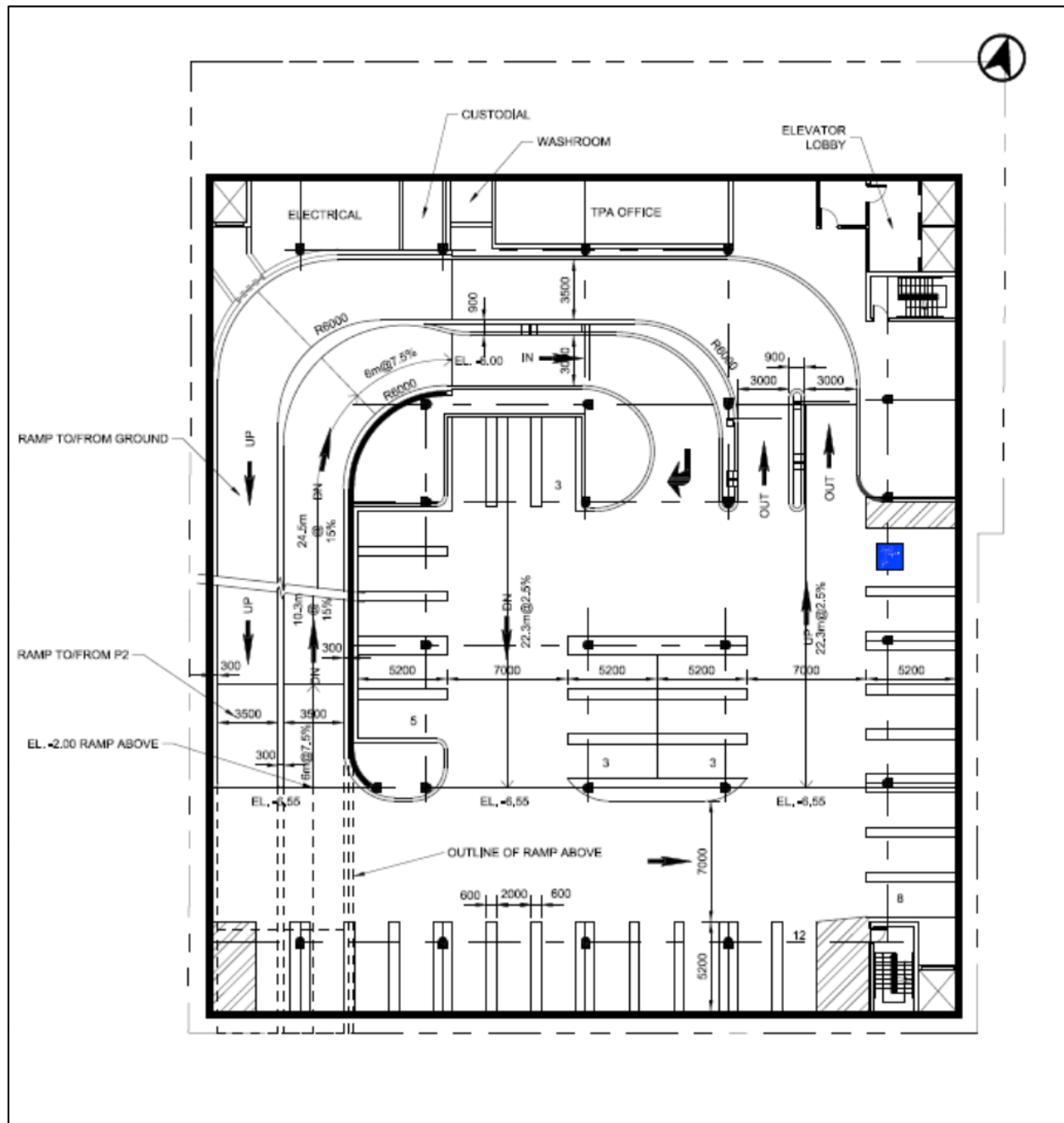


This photo shows a hypothetical park on the subject property.

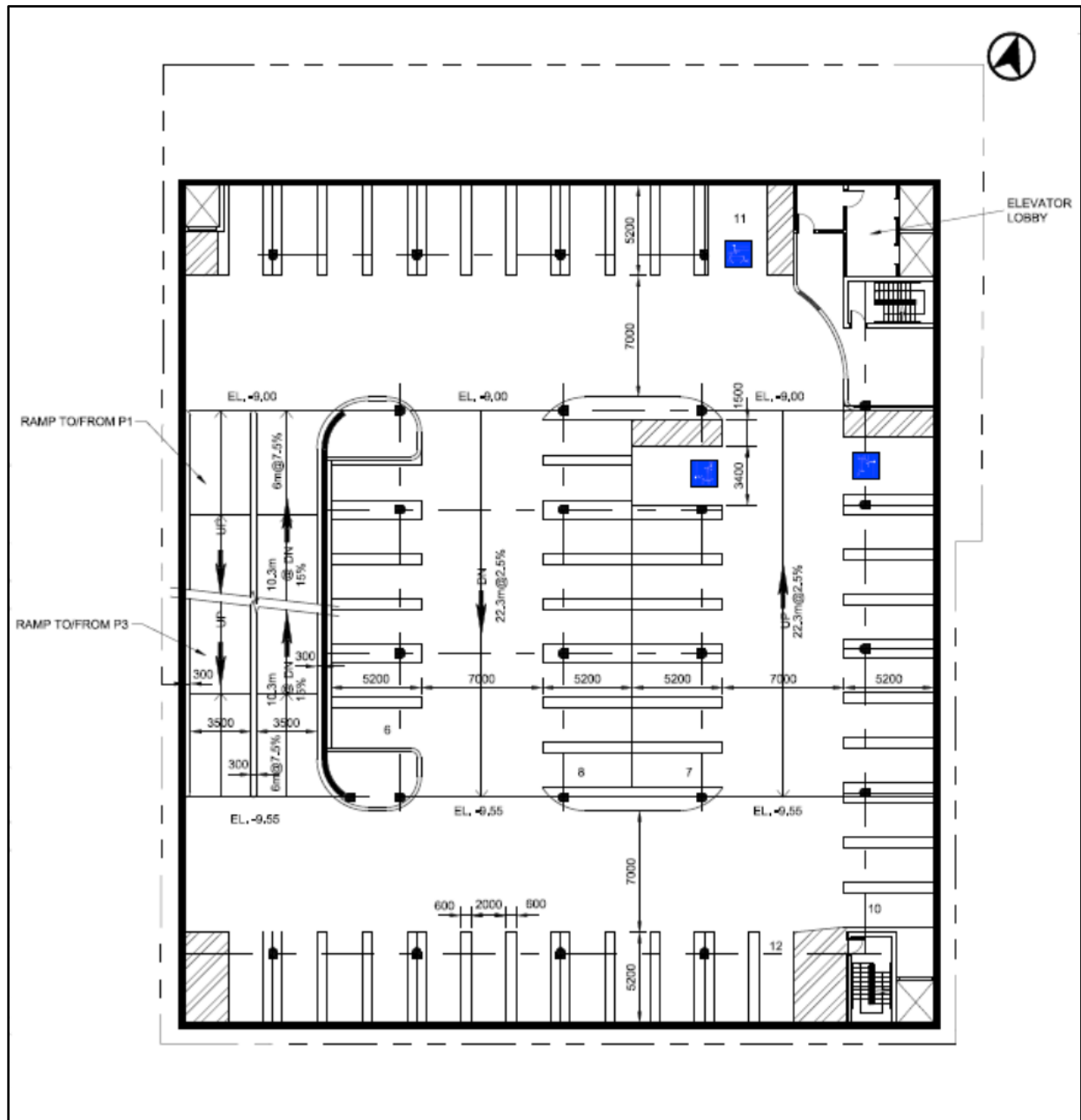
The site plan illustrates the layout of the TPA Lobby building and its immediate surroundings. The building footprint is shown in the center, with a parking area to the left and a ramp area below it. The plan includes various elevation markers and dimensions. Key features include:

- Building Footprint:** The main building is labeled "TPA LOBBY". It has a central core and two wings. The building is situated on a site with a "FULL DEPTH SOIL" area of 312 sqm.
- Parking and Ramp Areas:** There are two parking areas, one to the left of the building and one below it. The ramp area is labeled "OUTLINE OF RAMP BELOW".
- Elevations and Soil Depths:** The plan shows elevations such as EL. 88.00 (EX.), EL. 0.00, EL. 82.00, EL. -6.00 BELOW, EL. 63.50, EL. -4.50 BELOW, EL. 88.00 (0.00), EL. -3.00, EL. -0.30, EL. 87.50 (PR.), EL. -0.50, EL. 87.40, EL. 87.80 (EX.), and EL. -0.20. Soil depths are also indicated, such as "SOIL DEPTH 1.5m to 3.0m" and "SOIL DEPTH 0 to 1.5m".
- Dimensions and Distances:** The plan includes dimensions like 47300, 6000, 300, 3500, 3500, 300, 3.5m, and 6m@5%.
- Property Lines:** The "PROPERTY LINE" is clearly marked around the site.
- Surrounding Context:** The plan shows the building's location relative to the "FULL DEPTH SOIL" area and the "TPA LOBBY" building.

## Parking Garage, P1 Level



## Parking Garage, P2 Level



## Parking Garage, Level P3

