REPORT FOR ACTION WITH CONFIDENTIAL ATTACHMENT

Lease Agreement - 40 Carl Hall Road

Date: July 5, 2021
To: Board of Directors, Toronto Parking Authority
From: President, Toronto Parking Authority
Wards: Ward 6 - York Centre

REASON FOR CONFIDENTIAL INFORMATION

The attachment to this report is about a position to be applied to negotiations being carried out by Toronto Parking Authority (TPA).

SUMMARY

This report seeks TPA Board of Directors to authorize the President, Toronto Parking Authority to forward to the Deputy City Manager, Corporate Services, a proposed lease agreement (Agreement) with Parc Downsview Park Inc. (the Owner) at 40 Carl Hall Road (the Subject Property) for a term of five (5) years, with a request that the Agreement be approved through the appropriate real estate approval process and that the Deputy City Manager, Corporate Services, report to City Council to have this leasehold interest in land be designated by City Council as a municipal parking facility so that the TPA may be able to operate a 163-space parking facility on the Subject Property.

The Subject Property is located in close proximity to the Downsview Park subway and GO Transit stations and is anticipated that the demand at the lot will largely be from displaced commuters currently relying on the use of Car Park 811 located at 50 Wilson Heights Boulevard, which is being redeveloped as part of the Housing Now initiative. The proposed operation will provide 163 spaces to help offset the loss of 885 spaces at Car Park 811.

The Subject Property requires minimal capital improvements to meet TPA operational design requirements.

RECOMMENDATIONS

The President, Toronto Parking Authority (TPA) recommends that:

1. The Board of Directors of Toronto Parking Authority request that the President, TPA forward to the Deputy City Manager, Corporate Services, the proposed lease agreement (Agreement) with Parc Downsview Park Inc. at 40 Carl Hall Road (the Subject Property) for a term of five (5) years, with a request that the Agreement be approved through the appropriate real estate approval process and that the Deputy City Manager, Corporate Services, report to City Council to have this leasehold interest in land be designated by City Council as a municipal parking facility.

2. The Board of Directors of Toronto Parking Authority, direct that the confidential information contained in *Confidential Attachment 1* remain confidential in its entirety, as it contains information about a position to be applied to negotiations being carried out by Toronto Parking Authority.

FINANCIAL IMPACT

The proposed arrangement is anticipated to generate approximately $900,900 in gross revenues over the five (5) year term of the Agreement. Total capital costs required to bring the Subject Property up to TPA standards are estimated not to exceed $29,300 (inclusive of a 20 percent contingency allowance).

The detailed financial terms of the proposed transaction are outlined in *Confidential Attachment 1*.

DECISION HISTORY

At its meeting of January 29, 2020, City Council requested the Toronto Parking Authority Board and the Toronto Transit Commission Board to engage in discussions with Canada Lands Corporation, to temporarily transform the north section of the Downsview Park Merchants Market parking lot, and in close proximity to Downsview Park Subway Station, into a weekday pay-and-display commuter parking lot before and during construction phases at the 50 Wilson Heights Boulevard site, as outlined in Attachment 1 to MM14.9. Additional information is included here:
http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.MM14.9

COMMENTS

Corporate Profile

Parc Downsview Park Inc. (the Owner) is affiliated with their parent group, Canada Lands Company CLC Limited, a self-financing federal Crown corporation reporting to the Parliament of Canada through Public Services and Procurement Canada. The organization is responsible for managing property on behalf of the federal government, conducting public consultation and integrating properties back into their surrounding communities for development. Most of their assets are located in Canadian urban centres, and are sold after they revalue the property by providing managerial support and subsidizing immediate costs such as decontamination. However, the company retains ownership of some of Canada's most valued properties, such as Downsview Park (the location of the Subject Property), the CN Tower, the Old Port of Montreal and the Montreal Science Centre, from which it draws rental and hospitality revenues

Site Location and Particulars

The Subject Property, which forms the north section of the Downsview Park Merchants Market, has been identified as having underutilized weekday parking capacity with convenient access to the Downsview Park subway station and GO Transit station serving the Barrie Rail Corridor (refer to *Attachment 1*).

The Subject Property is currently operating as a 163-space, ‘no charge’ parking facility for use predominately by tenants and visitors of the Downsview Park Merchants Market on the weekends. It is anticipated that demand at the lot will largely be from displaced commuters that are currently relying on the use of Car Park 811. The operation of the lot is anticipated to begin in September 2021, before the start of the construction at the 50 Wilson Heights Boulevard site.

The Owner, who is planning to redevelop the Subject Property into a mixed-use project, is currently working toward obtaining development approvals which are expected to take approximately five (5) years. It is therefore understood that TPA’s operation of this site will be temporary in nature and that neither the City nor TPA should anticipate an extension of the arrangement.

Subject to the City executing the Agreement and designating the Subject Property as a municipal parking facility, TPA will operate commercial parking at the site as identified under *Attachment 2*. The existing lot will require minimal capital improvements to meet TPA operational requirements.

Parking Supply and Demand

Demand for parking at this site will largely be met from commuters displaced by the pending closure of Car Park 811. The Subject Property is considerably smaller than Car Park 811, 163 spaces versus 885 spaces respectively. It is also anticipated that the site's convenient access to the Downsview Park subway and GO transit stations will drive additional local parking demand.

Parking Operations

Subject to City of Toronto's decisions in this matter, TPA intends to operate the parking facility as a Pay & Display and Mobile Pay type of operation between 5:00 AM on Monday to 5:59 PM on Friday (the Hours of Operation). Up to three (3) Pay & Display machines will be installed as part of the operation, while Mobile Pay will allow for customers to both initiate and extend their parking sessions using their mobile devices. The parking facility will revert back to the Owners use outside of the Hours of Operation (i.e. between 6:00 PM on Friday until 4:59 AM on Monday).

The proposed parking rates at the Subject Property during the Hours of Operation are detailed below in Table 1.0:

Table 1.0: *Proposed Parking Rates*

Each Half-hour (30 minutes)	$2.00
Day Maximum (7:00 AM to 6:00 PM) (Monday to Friday)*	$10.00
Evening Maximum (6:00 PM to 7:00 AM) (Monday to Friday)*	$4.00

**Note: The parking facility will revert back to the Owners use outside of the Hours of Operation (i.e. between 6:00 PM on Friday until 4:59 AM on Monday).*

Given the anticipated demand for short-term parking, parking permits will not be offered at the Subject Property.

Capital Improvements

TPA has identified minor improvements that are needed to bring the Subject Property into compliance with typical TPA operational standards as detailed within *Confidential Attachment 1* (refer to *Attachment A*).

The position to be taken with respect to negotiations in this regard are contained within *Confidential Attachment 1*.

CONTACT

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SIGNATURE

W. Scott Collier, President,
Toronto Parking Authority

ATTACHMENTS

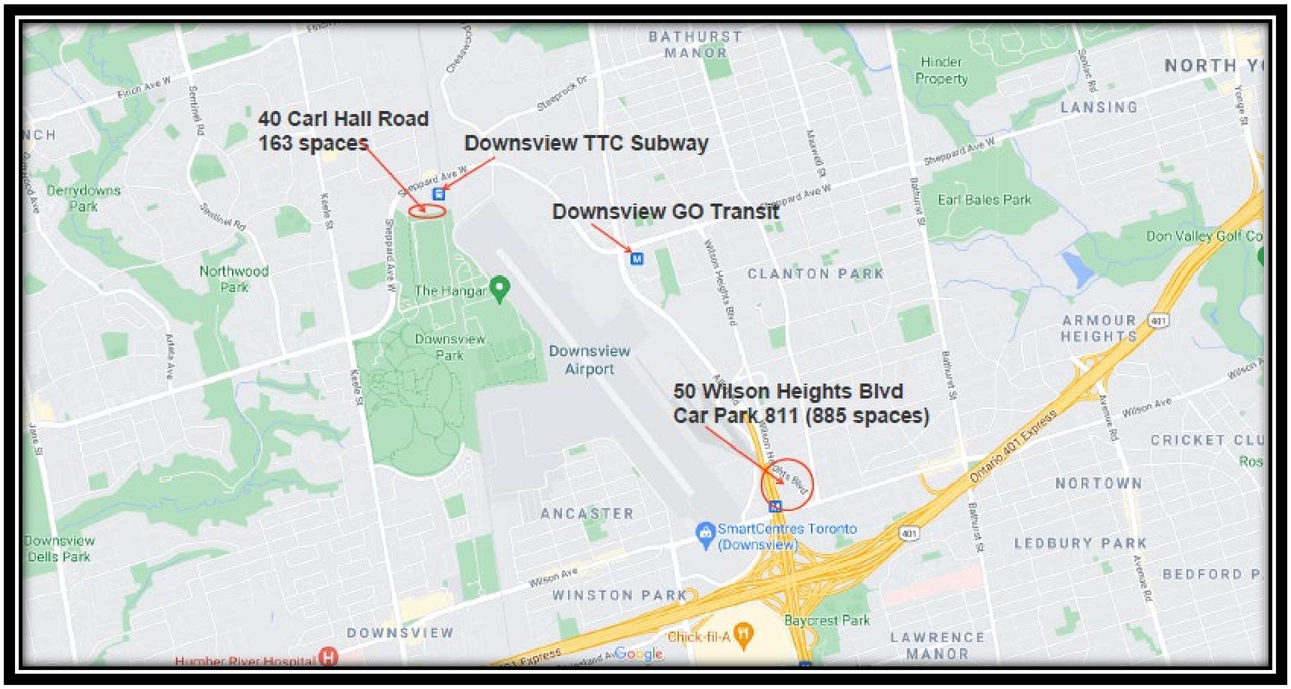
Confidential Attachment 1 – Summary of Proposed Terms and Conditions

Attachment 1 - Site Location Map

Attachment 2 - Parking Layout Plan

ATTACHMENT 1

Site Location Map



ATTACHMENT 2

Parking Layout Plan